THE PROPOSED 23RD AMENDMENT

to the Constitution of the United States

By WILLIS E. STONE

* * * *

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THE AMERICAN PROGRESS FOUNDATION

(a California non-profit corporation)

6413 Franklin Ave.

Los Angeles 28, California

The Purpose . . .

. . . of the American Progress Foundation is to develop public understanding of our Constitution, particularly those sections of it which reserve to the American people total control and direction of all public policy.

To advance this purpose, we submit the "Proposed 23rd Amendment" as a legal instrument of superior force, capable of nullifying the legalistic trickery which has won such amazing victories for socialism and communism in America.

This proposal was submitted to the American people in a newspaper column of June 2, 1944. The response was most gratifying. A committee was promptly formed to carefully study both the problem and the proposed solution.

After nearly five years of research the American Progress Foundation was organized (March 31, 1949) as a California non-profit educational corporation. It has since qualified as a tax ex-exempt educational organization by the Treasury Department.

The material herein has been revised somewhat for this fourteenth printing of this booklet. As we go to press (December, 1954) we can report that, despite a critical lack of funds, we have stimulated active public discussion of this proposal by more than twenty-five million Americans.

More than 6,000 organizations have supported the "Proposed 23rd Amendment" by their resolutions. It is pending in Congress as H.J. Res. 123 and should be introduced to the 84th Congress under the same number. It has already been formally adopted by the State of Illinois

With this substantial proof that the American people will support this fundamental American principle, and that organized public opinion can and will develop the necessary action to secure economic liberty, we have an exceptional point-of-beginning for our 1955 program.

In urging your liberal support to this project we submit these arguments for the "Proposed 23rd Amendment".

* * * *

AMERICAN PROGRESS FOUNDATION
6413 Franklin Ave.
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THE PROPOSED 23rd AMENDMENT

The people of the United States are confronted with a condition which must be solved if the American principles of human liberty are to endure.

Our problem, in all of its complexities, arises from the rapid assumption of extraordinary and unlimited powers, the flagrant abuse of those powers, and the by-passing of constitutional provisions, by the government of the United States. This, in turn, has created serious and demoralizing conflicts of interest between the productive enterprises of the citizens and the exercise of arbitrary political domination by public administrators.

Serious and complex as the condition appears in its wide range of apparently unrelated expressions, it is actually but a single problem, soluble only when we apply to the whole problem the basic and fundamental principles deeply rooted in American tradition and constitutional law.

Our nation is dedicated to the practice of self-government by the people. Tre law of the land is such that the people are vested with the final authority and sovereignty in all things. The control of all political power is within the province of our citizens, consequently we must ourselves take full responsibility for the correction of abuses of powers as they occur to harass our people and injure our national welfare.

To achieve a solution of the complex economic-political tangle which torments us, we must return to the basic principle of equity and justice before the law.

We have the power of analysis to search beneath surface appearances to find and understand the causes of our domestic turmoil.

We have the background of tradition and constitutional law to guide us in determining the means of correcting the governmental excesses from which we suffer.

We are empowered with an unalienable and sovereign right to institute an amendment to the Constitution to clarify and rectify the current abuses of power. The conflict between government and people over the ownership and operation of the productive enterprises of the people can only be resolved in this manner.

Careful analysis of our problem, based upon our

national tradition and constitutional law, and with due regard for the basic principle of equity and justice before the law, indicates that the implement to be applied to the problem must not infringe upon the just regulatory powers of government, but must stipulate the rights and responsibilities of the citizen to his private and individual property and enterprise as separate and distinct from the field of governmental participation, ownership or competitive operation.

With full consideration of all these fundamental requirements, we propose that the Constitution of the United States be amended to provide that:

> THE GOVERNMENT OF THE UNITED STATES SHALL NOT ENGAGE IN ANY BUSINESS, PROFESSIONAL, COMMERCIAL, FINANCIAL, OR INDUSTRIAL ENTERPRISE EXCEPT AS SPECIFIED IN THE CONSTITUTION.

There is a great deal of supporting evidence demonstrating both the need and the desirable effect of this proposal.

The Need

Each person, regardless of vocation, be he buyer or seller, consumer or producer, or however else he may be classified, is confronted with a separate set of problems which are all manifestations of a single cause.

Every productive enterprise of the American people has become a victim of the many extraordinary powers which have been assumed without constitutional authorization by agencies of our federal government. While the manner of political encroachments may differ, as vocations differ, the root source of all these infringements are identical.

The Constitution is explicit in its provisions separating the functions of the government from the unalienable rights and responsibilities of the individual citizens. Four such provisions are:

1. **The Fifth Article of the Constitution provides the means by which the people of the United States, at their sole discretion, may alter the power of governments by amending the Constitution and stipulating the powers thur delegated or revoked.**

2. **The Preamble of the Bill of Rights specifically states that the intent and purpose of the first ten Amendments is to "prevent misconstruction or abuse of powers".**

3. **The 9th Amendment states: "The enumeration in the Constitution of certain rights shall not be construed to deny or disparage others retained by the people."**

4. **The 10th Amendment asserts: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."**

These are the protective devices designed by the Founding Fathers to defend the citizen from arbitrary, unlimited and despotic misconstruction and abuses of power, but the federal government has not complied with these conditions.

It has not sought the proper extension of power through the legal processes of amending the Constitution.

It has ignored the intent and purpose of the Bill of Rights as specified in the Preamble to that group of ten amendments.

It has violated the terms of the 9th Amendment and has usurped many of the powers presumed to be "retained by the people".

It has repudiated the terms of the 10th Amendment, assuming an endless variety of powers which have never been "delegated to the United States by the Constitution".

Thus it is very evident that our federal administrators have wilfully evaded the provisions of the Constitution. A breach has been made in the barrier separating private rights and interests from political domination. The breach, once made in the limitations imposed upon government by the Constitution, becomes a highway for the rapid and unlimited extension of political power and sovereignty which now threatens to engulf us.

The progression of this process is such that every citizen, regardless of vocation, is now deprived of the full exercise of his productive genius and the enjoyment of the fruits thereof. Whatever the motive for the first encroachments upon private rights, the assumption of unauthorized power broke the covenants upon which the proper exercise of government is based. The velocity and scope of government's extension of power, and the accompanying abuses of power are everywhere seen.

The intricate maze of federal agencies is now said to contain fifteen hundred bureaus. The apparent purpose of their existence is to dominate, restrain and control every human activity. Few, if any, of these federal bureaus act with any spirit of compliance to the letter or spirit of constitutional law.

Screened behind the turmoil, conflict and duplication of these bureaus are the federal corporations. These exist without the slightest constitutional authority or justification. They engage in ruthless and destructive competition with private enterprise in hundreds of classifications of business, commerce, and industry. They clamor incessantly for more capital, more power, more independent action, and more fields to conquer.

The competitive practices of these governmental corporations are wasteful, extravagant and corrupt. Their records are garbled and incoherent. They hide their activities and questionable methods behind a screen of bureaucratic confusion and propaganda whitewash.

The federal corporations claim immunity from the laws of the land, contending that "general words in a statute do not include nor bind the government by whose authority the statute was enacted". These very words have been included in Supreme Court decisions and are considered to be a full release from legal and moral restraints which apply to the private enterprises of the citizens with which they compete.

The federal corporations take their capital from the pockets of the citizens with whom they compete through a process of taxation and deficit spending. Taxes levied on the presumption that such funds are to pay the proper costs of the duly authorized functions of government are used to ruinously compete with those who pay the taxes. Failing to get sufficient income through taxes, deficit spending takes place, increasing the national debt so that the taxpayers may, at a later date, pay both principle and interest on the capital structure of the federal corporations which compete with them.

Either way, the federal corporations are financed by funds taken by force from the people with whom they compete. There is nothing voluntary about this method of political financing.

The normal operating costs of the federal corporations are charged to departmental funds and thus concealed. This is accomplished by utilizing the services of the many hundreds of bureaus without paying for the services performed. This process has reached such proportions that it is now estimated that about one million people, who receive their pay out of general funds, do nothing during their official life except service, protect and expand the federal corporations.

The federal corporations pay no rent, for they contend that they are operating governmental property and are not obligated to consider the use of space as an item of operating cost.

Nor do the federal corporations pay taxes, local, state or federal, for they are the government and consume taxes. In this process, as the federal corporations grow they reduce the number of taxpaying units of society, increasing the burden on the remaining taxpaying units so that even if governmental costs remain steady, the cost to the reducing number of tax paying units would increase.

Operating as they do on a cost-free, rent-free, tax-free basis, the wasteful, extravagant and extortionate practices of the federal corporations are such that their costs have exceeded their earned income by more than seven billion dollars each year of the last five years, and are increasing every year.

These losses are added to the tax bill charged to the productivity of the private American citizens. So are the rents the federal corporations do not pay, and the taxes they do not pay, and the capital investments, rentals of money, and operating costs, all concealed by departmental appropriations, political propaganda releases and confused bookkeeping muddles.

The combination of losses and hidden costs are estimated to aggregate approximately half of the annual federal budget. This is the way the estimate is determined:

Losses of the federal corporations (minimum for last five years)	$7,000,000,000
Interest on that part of the national debt represented by the recoverable value of properties controlled by the federal corporations ($50 billions) at 2½ per cent	1,250,000,000
Amortization cost to amortize that part of the national debt in 40 years	1,250,000,000

800,000 pay envelopes for employees paid by general government to serve the corporations exclusively—at $3000 each 2,400,000,000

The cost of the goods, services and facilities needed for 800,000 jobs servicing the corporations 7,900,000,000

Total direct and indirect cost (1950 estimate) $19,100,000,000

This volume of money does not mean much until we can relate it to something understandable. We understand a single silver dollar which is 2-19ths of an inch thick. Nineteen of them would make a stack of silver dollars two inches high.

If the $19,100.000,000 the federal corporations demand, and get, from us (1950 level) to pay their losses and hidden costs were all silver dollars and in a single stack, they would reach an elevation of 31,732 miles up in the air---about an eighth of the distance from here to the moon.

If this fontastic volume of dollars is beyond your imagining, try picturing it as a stack of thousand dollars bills---more than 19 million of them---which would make a stack nearly THREE MILES HIGH.

This cost is laid upon the productivity of the American people forcing them to pay for this brutal attack upon their private enterprises, even though constitutional provisions are presumed to protect us from such political conquests. That the constitutional provisions do not provide sufficient protection is not the fault of the provisions themselves, but of the lack of enforcement and the political interpretations given them by those seeking to enlarge their political power.

It is this official political attitude and the resulting conflict which makes it necessary that we clarify the intent of the Constitution with further stipulations. The Proposed 23rd Amendment, provides new force to the old boundary between private rights and political power which is the American tradition.

The need is great. The corporate expressions of unlimited government, exercized without reference to constitutional limitations, have undermined our institutions of liberty, created serious moral, economic and political instability, disturbed the sanctity of property rights, created overwhelming burdens upon the productivity of our people, and instituted a system of socialistic competition with, and absorption of, private enterprise which is deadly to every concept of liberty dear to the hearts of the American people.

This conquest of the substance of the American people has been thus far advanced without the consent of the governed as prescribed by the Declaration of Independence, the Constitution and the Bill of Rights.

The inevitable result of this trend, if left to pursue its course, is totalitarianism which is called many things in many lands. Whatever it is called, and wherever it happens, it produces the mortal agony of people stripped of their rights to own property, create their individual enterprise, or enjoy the product of their toil. To prevent this ultimate disaster we must make a decision concerning future policy.

SHALL WE RETURN TO THE PRINCIPLES OF PRODUCTIVE LIBERTY UNDER LAW WHICH IS THE TRADITION AND HERITAGE OF THE AMERICAN PEOPLE?
OR, SHALL WE, BY DEFAULT AND SILENCE, SURRENDER TO THE GATHERING FORCES OF TYRANNY WHICH ARE LOOSE IN THE WORLD?

There is no middle ground. We either take the trouble and bear the expense of supporting the American ideal against those who would destroy it, or by doing nothing, we hinder the defense of our institutions of freedom and aid the enemies of our way of life.

If there is any validity in this recitation of the needs of the "Proposed 23rd Amendment" to remove the principle cause of our internal strife, then we approve the principle and must consider the effect such an amendment would have upon us.

The Effect

Analysis of the effects the Proposed 23rd Amendment would produce offers an array of desirable values of universal benefit to all segments of our population.

It will reestablish the pattern of productive life without political domination which made us the most competent people in history.

It will support all the present constitutional pro-

visions, in both letter and spirit, giving them specific meaning and force.

It will in no way alter the intent and purpose of the Constitution as it now stands.

It will not infringe upon any of the natural powers of government prescribed by the Constitution.

The proposed 23rd Amendment would reinstate government as an unbiased regulatory power by prohibiting govement from competing with the enterprises of the private citizen except in those cases where the citizens themselves amend the Constitution to delegate powers permitting government to engage in specified enterprises.

It will eliminate the most deadly and demoralizing competitive force ever encountered by our productive enterprise system.

It will cause the liquidation of the Federal Corporations, returning the properties to local management and operation on a tax paying equity with other similar properties and under the observation of the citizens within the area of operation.

The proposed 23rd Amendment is designed to reestablish the principles of liberty and justice for all.

It will eliminate the arrogant anarchy of federal corporations which refuse to conform to the laws of the land.

It will remove the basic causes of most of our domestic turmoil, uncertainty and fear.

It will rekindle the basic ideals upon which this nation was founded, defined by Thomas Jefferson as being:

"A wise and frugal government, which shall restrain men from injuring one another. leaving them otherwise free to regulate their own pursuits of industry and improvement".

The proposed 23rd Amendment would remove the most alluring implements of political corruption ever known to mankind---the power to arbitrarily invade and confiscate the wealth of citizens.

It would remove about half of the present costs of the federal government, thus eliminating the need for nearly half of the taxes now taken from us, reinstating the earning power of labor by increasing the "take-home pay" of the American people, reduce the costs of producing goods and services, and vastly increase the living standards of the American people.

These facts and figures are easily provable, but knowing these grim truths is of small importance. What we do with them is the all important thing.

We say we want to stop socialism. We can.

All forms of socialism depend upon the political power and force necessary to conscript wealth, property and enterprise. As the Proposed 23rd Amendment prevents this conscription it would outlaw the practice of socialism or communism in any of its evil forms.

Knowing this, we should lift our voices in unison, join our strength in this common cause and attain this protection for our American institutions of human freedom.

* * * *

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150 sent

November 25th, 1955

Fellow-American:

Your name was sent to us by Governor J. Bracken Lee of Utah. This is in response to your letter to him and his reply to you. The Governor is one of our Board and is whole-heartedly for this crusade, so will you please read the enclosed message?

Since the crying need in our country, voiced today in a thousand ways from ALL of our people, is a return to local responsibility; you and I both know that the first step away from a huge centralized government is the outright repeal of the 16th Amendment and its communistic system of a "Progressive Taxation".

Ten years have elapsed since we have been engaged in a major war, yet there is still no indication that either political party wishes to reduce our debt, and deficit spending continues. THE TAX MONEY wrung from the citizens is quickly dissipated through the government's continued policy of waste and extravagance.

The terrible power of the federal government increases daily, while the States are rapidly losing ALL of their sovereign rights. It is now evident that the politicians will do nothing to remedy this situation, SO THE PEOPLE MUST ACT - and this means you.

By securing REPEAL of federal taxes on personal incomes and inheritances, you would be forcing our government to limit expenditures to necessities, AND STOP WASTE and extravagance. They would have ample funds to take care of defense and other necessities, from excise, customs and corporate taxes (which will probably always be with us, as they were before 1913). The States could then raise their own funds and not be forced to beg for a small return from the federal government (see enclosed chart*). The only way to assure personal freedom is to restrain the power of government, and THE ONLY WAY to take the power from government IS TO TAKE THE MONEY AWAY!!

We have an intensive program in all States and a great load of information to send out, but need funds for printing and other expenses NOW. We ask you to please join us and give us names of others who might wish to hear this message - this chain idea works fine. All of our workers and speakers give freely of their time and we know that you will give our need your serious consideration TODAY.

Sincerely yours,

This is not my signature Clumsy job Copy

Paul K. Morgenthaler

Paul K. Morgenthaler, Vice President

But had to get out

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December 10th 1955.

Mr.Bob Temple
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Mason City Iowa.

Dear Mr.Temple:

Have your letter of the 7th inst and enclose some literature pertaining to this vital subject and have a lot more when you join this crusade. As you may well know it costs a lot to print and mail and the only way we have is to get the funds from those loyal Americans who wish to try and save this country from the robbery that is taking place in Washington.

Our best method so far is to get a member and ask them in turn to let us have the names of those who he or she thinks might want the message,this works fine and after mailing some 25,000 we know the answer. Recently Governor J.Bracken Lee sent us a list of names of those who wrote him after his recent witholding of his tax and this has been tremendous in return,possibly you did not write to him,but we enclose letter which went out to those names. It has a message.

So doing our own work along with volunteers we have lots to do,may we count on you to join and be on our mailing list please

Yours sincerely

Paul K. Morgenthaler

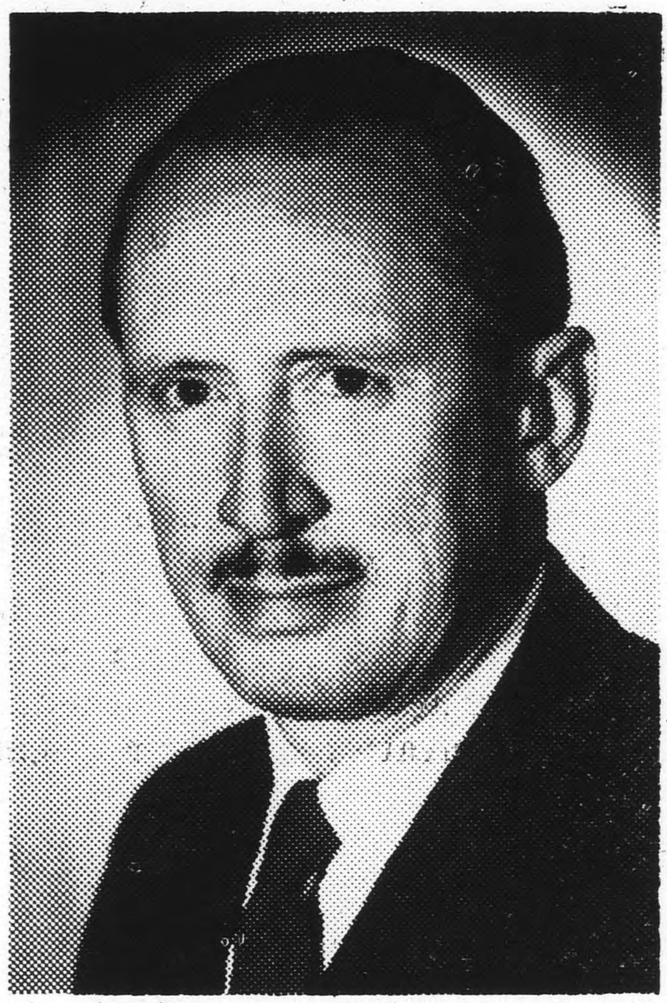
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P.S.Later We w ish to get some stickers for cars,could you make this type of stickers Say perhaps

REPEAL FEDERAL INCOME TAXES NOW

PKM

The Author of
The Proposed
23rd Amendment to
the Constitution



WILLIS E. STONE

Speaks to

AMERICA

The Man . . .

WILLIS E. STONE has many distinctions. He is a direct descendant of Thomas Stone, signer of the Declaration of Independence, and a great-grand nephew of Ralph Waldo Emerson, the philosopher, which gives background to his comprehensive analysis of our politico-economic turmoil.

As an Industrial Engineer and a student of Political Economy, Mr. Stone has spent his business life observing the developing pattern of creeping political domination over all business and industry. His analysis of the economic situation penetrates the bureaucratic screen and gets to the heart of the problem to develop a solution.

Mr. Stone writes for many publications on business, industrial and political affairs. His "*American Way*" newspaper column is a regular feature in more than 3000 newspapers. He is noted for the precision of his analysis, the accuracy of his forecasts and the dramatic presentation of his material.

Mr. Stone is a forceful civic leader. He is the author of the proposed 23rd Amendment to the Constitution, which is now before Congress, and the President of the American Progress Foundation which sponsors the proposal. He is active in American Legion affairs and is a past Deputy District Governor of Lions Clubs.

He is in constant demand as a speaker and has spoken to audiences both great and small in nearly every State in the Union. He will hold any audience in their seats to the last word, regardless of the time allotted.

The Subjects . . .

"YOUR COMPETITOR, UNCLE SAM." A dramatic analysis of the forces which have produced our present economic turmoil, and how the application of traditional American principles can develop a course of action to recapture our basic economic freedom.

* * * *

"TO SECURE THESE RIGHTS. . . ." A star-studded discussion of the eternal struggle to give legal protection to our great traditions of human liberty, inspiring renewed devotion to the principles established in the Declaration of Independence and the Constitution.

* * * *

"THE AMERICAN STORY." A lusty, action-packed narrative of the forces which made America great, of the causes of our present problems, and of the means by which we can revitalize the principles of economic freedom in America.

* * * *

These discussions touch the life and problems of every American. Mr. Stone possesses the power to make the great figures and the great events of our history live and breathe, making the impact of Americanism a challenge well worth the answering.

They provide vital and workable answers to the greatest problems of our time, bringing understanding and hope to all who hear, and giving courage and purpose to the task of citizenship.

The Comments . . .

"An oustanding program, outlining an essential course of action."

New York Times

"Powerful presentation of good Americanism."

Columbus (Ohio) Dispatch

"The House concurred in a Senate Resolution today . . . for an amendment to the federal Constitution to take the federal government out of competition with private business. . . . Willis E. Stone, President, American Progress Foundation, presented arguments for the proposal to the House Executive Committee last night."

Chicago (Illinois) Tribune, May 7, 1953

"Mr. Stone made an excellent and convincing case."

Rotary Club of Denver (Colorado)

"Heard and approved."

El Paso (Texas) Times

"A fighting appeal for real Americanism."

Santa Ana (California) Register

"Willis E. Stone made a powerful attack upon communism, socialism and collectivism, proving the Constitution is our first line of defense."

Los Angeles (Calif.) Herald-Express

"A fascinating address by Willis E. Stone, a very forcefnl civic leader, an ardent American, and author of the "Proposed 23rd Amendment to the Constitution'."

BULL-E-TIN of the Jonathan Club, Los Angeles

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1956

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Name_____ **Name**_____

Street Address_____ **Street Address**_____

City, Zone, State_____ **City, Zone, State**_____

Name_____ **Name**_____

Street Address_____ **Street Address**_____

City, Zone, State_____ **City, Zone, State**_____

1956

RAMA ROAD

Number 5

in a series of studies on the waste of

YOUR TAX DOLLARS

by

Willis E. Stone

These facts concern only one of some 400 federal enterprises operated without constitutional authority which have taken over 40% of the land area and 20% of the industrial capacity of the nation and consume 45% of our tax dollars.

Help stop this practice! Join the

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RAMA ROAD

The drive for endless tax billions from road users is being justified by the pretension that these taxes will be devoted to highway building for the next 13 years.

The taxes are real enough, but the promised roads appear to be mostly fiction as the records, and the law governing taxes and appropriations, illustrate.

The U. S. Statistical Abstract, 1955, shows (page 357) $2,317 million collected from road users during 1953. The same year (page 404) $511 million, or 22½ percent of the road user tax, was given back to the States as grants-in-aid for highways.

Highway appropriations for more than two years are not valid. Neither is it possible to legally earmark tax collections for special purposes. Senator Lynden Johnson of Texas clarified this fact in a recent letter, in which he stated:

"In so far as the expenditure of Federal revenues on highways is concerned, all Federal taxes are received by the Treasury. The Congress authorizes and appropriates expenditures from this general fund. There is no linkage or earmarking of any tax dollars to specific projects authorized by the Congress."

Thus the lure of great highways is simply the temporary bureaucratic win-low-dressing to justify tremendous permanent increases in taxes on road users.

RAMA ROAD furnishes one illustration of the kind of roads we get for the taxes we pay. In the U.S. Budget for 1956, page 482, we find:

"RAMA ROAD, NICARAGUA, BUREAU OF PUBLIC ROADS. For necessary expenses for the survey and construction of the RAMA ROAD, NICARAGUA." $1,000,000.00 in 1954, and another $1,000,-000.00 in 1955, was appropriated for this project.

For some unexplained reason, this project was transferred from the Commerce Department to the State Department at the end of 1955. This is indicated on page 909 of he Budget where, following a discussion of *"Government in Occupied Areas"*, it states:

RAMA ROAD, NICARAGUA, STATE. For an additional amount of necessary expenses for the survey and construction of the RAMA ROAD, NICARAGUA, . . . $3,000.000.00 to remain available until expended." Thus the 1956 budget request is three times that of former years.

Your questions regarding the usefulness and validity of the RAMA ROAD will probably never be answered, but page 909 of the Budget may give a clue regarding the progress of it, and how long this drain on our tax dollars will continue. It says:

"The 1956 estimate provides for completion of approximately one-half of the un-

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A WAY TO FREEDOM

funded construction. A total of $6,000,000.00 was previously made available to the Department of Commerce for this road."

So, after seven years, the RAMA ROAD —which has no conceivable value to those compelled to pay for it—may reach the half-way point. Such is the road building we get from the benevolent federal bureaucrats who arrange these things for us.

And IT'S YOUR TAX DOLLAR that pays the bill! To help eliminate this waste you can:

1. Buy and distribute a quantity of these folders among your associates that they, too, may be informed.

2. Join the American Progress Foundation and help promote the "Proposed 23rd Amendment" now pending in Congress as H.J. Res. 123. It provides that:

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A WAY TO FREEDOM

H. J. Res. 123 (Proposed 23rd or Gwinn Amendment) will outlaw Federal corporate activities costing (1954 estimate) as follows:

INTEREST on recoverable value of land and facilities	$ 1,250,000,000
AMORTIZATION on same ($50 billion in 40 years)	1,250,000,000
LOSSES—recent annual average	10,000,000,000
PAYROLL—Paid by General Funds for services without cost to Federal corporate activities	4,000,000,000
GOODS, SERVICES AND FACILITIES, to make payroll possible —est. at three times payroll	12,000,000,000
THUS—H. J. Res. 123 would save —1954 estimate	28,500,000,000
(42% of Budget or 44% of net income	
PLUS—1954 cost of Foreign Grants and Credits	4,669,000,000
(6.9% of Budget or 7.2% of net income)	
SO—H.J. Res. 123 can save (1954)	33,169,000,000
SO—We *CAN* repeal Individual Income Taxes (1954)	32,495,000,000
Leaving the Federal Government a surplus of	674,000,000
YOUR MONEY, now paying taxes, would then buy the things you want, increasing national business volume 15%, which would increase business tax payments 15%	3,231,900,000
TWENTY PERCENT more Industry on the tax rolls, increasing Federal tax receipts 20%	4,309,200,000
THUS—Surplus and Potential New Revenue equals	8,215,100,000
LESS 1954 deficit to bal. budget	3,116,613,000
Leaving	5,098,487,000
LESS ESTATE AND GIFT TAXES —to be abolished	935,000,000
TO PAY on the National Debt	$ 4,163,487,000

THE SUGAR ACT

American independence was again sacrificed when Congress passed, and the President signed (May 29, 1956) H. R. 7030—Extension of SUGAR ACT of 1948".

This legislation denies us the right to provide for ourselves, restricting domestic production to less than 54 percent of our requirements, making us dependent on foreign countries for more than 46 percent of our sugar.

First adopted in 1937, the SUGAR ACT created a bureaucratic empire manipulating "quotas" for all sugar producing nations—at American expense.

When World War II began, sugar demands increased because sugar makes molasses, which in turn makes alcohol, which is vital in producing ammunition, but sugar production was reduced "according to plan".

In 1942 the Philippines production of 900,000 tons of sugar per year was lost, and the hard pinch of rationing hit us all.

In 1945 the Anderson Committee reported that from 1941 to 1945 (the war years) domestic production of sugar was reduced "according to plan"by 4,650,000 tons. Compare this with our 1956 domestic production of 4,545,750 tons.

The 1957 Budget (page 390), attempting to justify the SUGAR ACT, repeats the age-old bureaucratic cliche:

"To provide consumers with adequate supplies of sugar at reasonable prices, to maintain and protect the domestic sugar industry and to promote the export trade of the United States, quotas are established for the five domestic sugar producing areas, the Philippines, Cuba, and other foreign countries."

The fact is, the SUGAR ACT produced critical scarcity, inflated prices, a wrecked industry, the utter destruction of our export trade in sugar, and made us dependent upon foreign countries for 46 percent of our normal peace-time requirements of a basic commodity.

The Conference Report (No. 2174, page 9) on H. R. 7030 confirms this. Regarding the slight increase in domestic quotas, the Report states that: "it is assumed that the Department of Agriculure will utilize these first quota increases insofar as practicable to relieve the distress of producers in these domestic areas."

The Hoover Commission's Staff Study on Business Enterprises exposed a valid reason for this condition by revealing (page 44) that the U. S. Government owned Virgin Islands Corporation produced "too much sugar" in 1953 and was forced to sell 1100 tons in the "world market" at $64 per ton, while the corporation's "quota" of 12,000 tons was sold in New York at $128.35 per ton.

The difference between the "world market price of $64, and the American price

of $128 on 16 million tons of sugar to be imported from 1957 to 1960 under the SUGAR ACT amounts to more than ONE BILLION DOLLARS.

There are some costs, to be sure. To administer the SUGAR ACT, Congress appropriated 59,600,000 tax dollars in 1955, another 59,600,000 tax dollars in 1956, and expects to appropriate 67,600,000 tax dollars in 1957.

And IT'S YOUR TAX DOLLAR THAT PAYS THE BILL!

Put a stop to this plundering of America! Do these things:

1. Raise a public demand that Congress immediately repeal the SUGAR ACT.
2. Buy and circulate a quantity of these folders to inform your associates.
3. Join the AMERICAN PROGRESS FOUNDATION to outlaw the conquest of the American people by getting action on the "Proposed 23rd Amendment", now pending in Congress as H.J. Res. 123. It provides that:

> **The Government of the United States shall not engage in any business, professional, commercial, financial or industrial enterprise except as specified in the Constitution.**

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THE SUGAR ACT

Number 7
in a series of studies on the waste of
YOUR TAX DOLLARS
by

Willis E. Stone

These facts concern only one of some 400 federal enterprises operated without constitutional authority which have taken over 40% of the land area and 20% of the industrial capacity of the nation and consume 45% of our tax dollars.

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ESKIMO DWELLINGS

By Willis E. Stone

(EDITOR'S NOTE: Willis E. Stone is author of the "Proposed 23rd Amendment" and President of the American Progress Foundation, Los Angeles.)

ONE MILLION of your tax dollars went to "improve" ESKIMO DWELLINGS without your knowledge or consent.

Unimportant as a million dollars may be under present political standards, and remote as the Eskimo may seem, the ESKIMO DWELLINGS project symbolizes the paternalistic activities of federal agencies.

Not a single mention of the ESKIMO DWELLINGS project can be found in the 1956 Budget or the U. S. Government Organization Manual. The fact that such a project exists, at your expense, is disclosed by the chart facing page 103 of the Appendix of the Hoover Task Force Report on Lending Agencies. It is referred to there, under the heading of Alaska Housing, in these words:

"This program (Alaska Housing) was undertaken primarily to stimulate construction of housing for civilian families in Alaska, but included $1,000,000.00 for small loans to improve Eskimo dwellings in remote areas."

This, apparently, is the only visible remnant of your million dollars or the project. This has been achieved by a highly effective process. The affairs of the ESKIMO DWELLINGS project have been completely integrated into the activities of the Alaska Housing program, which is under the jurisdiction of the Community Facilities Administration, in turn subsidiary to the Housing and Home Finance Agency, identified as "independent" and therefore apparently responsible to no one.

To further complicate matters, the financial records are consolidated with the records of the Alaska Housing Program, which in turn has been unified with seven other small political housing "programs" into a single "revolving fund" under the Independent Offices Appropriation Act of 1955.

Thus eight "programs" and an unknown number of subsidiary "projects" are now immune to criticism. We can only gauge the total capacity of the entire group to dissipate your tax dollars. This is described on page 291 of the 1956 Budget, in part, as follows:

"By the close of the 1956 fiscal year assets with a book value of $485 million will remain out of the original Federal outlay of $2.5 billion. By that date it is estimated that about $634.5 million will have been recovered from management and disposition and returned to the Treasury. In view of the recognized liquidating character of the fund, no action is required with respect to the $292 million deficit.

"Losses of $75.3 million and $78.9 million are shown respectively in fiscal 1955 and 1956. Losses from sale of property are roughly $28 million and $38 million in the 2 years, and temporary housing with a book (cost) value of $73 million and $58 million is to be demolished."

Thus the total losses of these interest free, rent free, cost free, tax free political agencies for two prosperous years amount to $351.2 million or more than 14 per cent of the original federal outlay. This does not include "the $292 million deficit."

This leaves us with a somber problem. If it is logical to tax you to get one million dollars to politically subsidize and control a "new look" for the Igloo, it is equally logical to use your tax dollars to politically subsidize and control the lives and living habits of ANY group, ANY place, on this planet.

And there are several hundred political empires which have apparently been generated with this particular purpose in mind. They consume half of every tax dollar you pay directly or indirectly to government.

There are several things every one of us can do to stop this waste.

We can raise a very active demand upon our Representatives to abolish this and many similar activities.

More important, however, we can permanently outlaw such alien practices by demanding, and getting action on the "Proposed 23rd Amendment" pending in Congress as House Joint Resolution 123. It provides that:

The Government of the United States shall not engage in any business, professional, commercial, financial or industrial enterprise except as specified in the Constitution.

(Not printed at Government expense)

United States *of* America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 84th CONGRESS, SECOND SESSION

A Way to Freedom

EXTENSION OF REMARKS
OF
HON. RALPH W. GWINN
OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 11, 1956

Mr. GWINN. Mr. Speaker, I desire to set forth in the RECORD some remarkable figures that show the way to freedom from oppressive bureaucracy.

The following are excerpts from a speech by Willis E. Stone, author of the proposed 23d amendment to take government out of business. He is president of the American Progress Foundation, 6413 Franklin Avenue., Los Angeles, Calif. The speech was made before the Congress of Freedom at Dallas, Tex., April 7, 1956:

Mr. Chairman, delegates to the 1956 Congress of Freedom, friends, this is a discussion of the possibilities of repealing our individual income taxes by first reducing the costs of government sufficiently to make this possible. At the same time we would achieve a solvent government, free from the scourge of deficit spending and retire part of its debt.

Enormous as such an undertaking may seem at first glance, it can be done whenever we, the American people, decide to perform the basic function of citizenship—that of defining the terms of our freedom in our organic law.

Let's face it. We cannot correct the overwhelming tax burden from which we suffer until we first correct the cause of that burden. If we honestly wish to remove the tax burden, we must first discover how our tax dollars are used, determine whether or not such governmental activities are valid, the legal means by which they can be eliminated if they are not valid activities, and to what extent the removal of impractical functions can solve the tax problem.

First, we must recognize that this is our responsibility because the administrators of government have no intention of reducing their spending simply because we want lower taxes. They have proved this. Heavy as our taxes have been, our bureaucrats have constantly spent more than we provide—$240 billion more during these past 20 years. This means that our bureaucracy has spent an average of $12 billion more than we have paid in taxes every year for 20 years.

This should demonstrate that merely wanting lower taxes is an empty wish. It should prove that the only possible way to get lower taxes is for us to discover and apply the means for controlling bureaucracy and reducing its mad spending. The moment we look objectively at the activities of the Federal Government we begin to recognize the monstrous proportions of the bureaucratic empires which have mushroomed during recent years.

By tracing the method by which these bureaucratic empires were created and developed, and witnessing the increasing tempo of the process, we may be in better position to apply the necessary controls.

SOIL BANK PLAN SABOTAGED

The 1956 session of Congress saw a set of contradictions all of them holding some individual merit, which demonstrates the process. It began with a great hue and cry about the evils of our abundance which propagandists call "surplus." To eliminate this, enormous pressures were brought upon Congress to appropriate a couple of billion tax dollars to a "soil bank" which would take land out of production, solving the surplus.

At the same time, and on another front, a different set of propagandists were at work getting appropriations from Congress to provide for the free distribution of fertilizer so farmers could get as much produce, if not more, from the acreage they would continue to farm.

This nullification of the soil bank idea was complicated by still another drive, by still another set of bureaucrats, demanding a few billions of tax dollars with which to build dams and irrigation systems so that vast new areas could be brought into production.

To further complicate the issue, more tax billions were demanded for loans to improve production on the farms, and for the Commodity Credit Corporation to take the production out of the market place, trucking in Government trucks to Government warehouses and granaries, to be managed, traded an sold by governmental agencies operated by bureaucrats determined to perpetuate themselves in control of the growing bureaucratic empires such contradictory legislation spawns.

MANUFACTURED EMERGENCIES

By the device of politically manufactured emergencies, more than 700 Federal corporate activities have been created. They have rapidly expanded to fabulous proportions, consuming gigantic quantities of our tax dollars.

Under the label of "foreign aid" the American taxpayers, who have never known military defeat, have been compelled by their own Government to pay more treasure into the coffers of foreign powers than all the vanquished people of history have been required to pay to their conquerors.

The domestic problem is even worse. About 700 Federal corporate activities have been established without any pretense of constitutional authority. They absorb, directly and indirectly, about half of all Federal receipts to pay their losses and hidden costs. They have already, by one device or another, taken over 40 percent of the land area and 20 percent of the industrial capacity of the Nation, riding the backs of the American people as interest free, rent free, cost free, tax free competitors of our own citizens.

Amazing charges, certainly, but easily proved by the claims of the bureaucratic empires themselves.

The Interior Department brags of its enormous empire, asserting (p. 203, 1955–56 United States Government Organization Manual) that: "The jurisdiction of the Department extends over the continental United States, to the islands of the Caribbean and South Pacific, and to lands in the Arctic Circle. It includes custody of 750 million acres of land." This equals 32.3 percent of the total land and water area of the United States and all its territories and possessions.

The Forest Service declares (p. 238, 1955–56 Manual) that it holds lands "aggregating about 188 million acres," which equals 8.1 percent of the total land and water area of the United States and its territories and possessions.

FEDERAL AGENCIES GRABBING MILLIONS OF ACRES OF LAND

The Soil Conservation Service (p. 241, 1953–54 Manual) claims to have acquired lands which "aggregate more than 11,297,000 acres," which is nearly a million and a half acreas greater in extent than the combined areas of 4 of our States—New Jersey, Connecticut, Delaware, and Rhode Island.

These three Federal agencies alone have taken from the American people an area greater than the combined area of England, Ireland, Scotland, Wales, Portugal, Spain, France, Belgium, Holland, Luxembourg, Switzerland, Germany, Iceland, Denmark, Poland, Austria, Czechoslovakia, Hungary, Italy, Monaco, Albania, Greece, Yugoslavia, Rumania, and Bulgaria.

We have believed that the function of Federal agencies was to protect us and our properties, yet these three bureaucratic empires have carried on a conquest greater than anything of modern times. With several hundred other bureaucratic empires also promoting their conquests, it is little wonder that our tax bill has become so agonizing.

We must reduce these bureaucratic empires to a dollars and cents evaluation to learn the exact extent to which the abolition of such practices can solve our tax burden. Once we know the dimensions of the evil we can recognize the all-important necessity of outlawing these practices.

CORPORATE ACTIVITIES COST TAXPAYERS $10 BILLION A YEAR

The Federal corporate activities can be outlawed by an amendment to the Constitution, already introduced into Congress by Representative RALPH W. GWINN, Republican, of New York. It has been formally approved by the State of Illinois. More than 6,000 organizations have adopted resolutions of support for it. Known as the Gwinn amendment and also as the proposed 23d amendment, it is pending in Congress as House Joint Resolution 123. It provides that "the Government of the United States shall not engage in any business, professional, commercial, financial, or industrial enterprise except as specified in the Constitution."

This proposal in no way would alter the intent and purposes of the Constitution. It would only give the Constitution its proper force and effect. In doing this, it would stop the political gift of our tax dollars to foreign socialistic and communistic governments, leaving individuals to do this on a voluntary basis if they so desired. In 1954 the foreign grant and credits of your tax dollars amounted to $4,669,000,000.

This amendment would cause the Federal corporate activities to be sold back to the American people. It is estimated the land, buildings, and facilities, even under forced sale, would bring better than $50 billion, all of which would be applied to the national debt, particularly as series E and F bonds would probably be employed to buy those properties. Retiring $50 billion of the national debt in this way would reduce the taxes required to pay interest on it by $1,250,000,000 per year.

Also, the cost of amortizing that portion of the national debt would no longer exist and this would save the taxpayers $1,250,000,000 per year.

The average annual losses of the Federal corporate activities during recent years has exceeded $10 billion per year. The sale of the Federal corporations would eliminate these losses by eliminating their source, thus saving the taxpayers this amount of taxes every year.

1,000,000 FEDERAL EMPLOYEES SERVE FEDERAL CORPORATIONS

Another important item is the fact that an estimated 1 million Federal employees apparently do nothing in their official life except provide services without cost to the Federal corporations. They are paid by the general fund, therefore their pay comes directly from taxes—your taxes. With the Federal corporate activities sold back to the American people, they will be more gainfully employed in private enterprise and 1 million pay envelopes, containing an average $4,000 per year will not require our tax dollar, saving the taxpayers $4 billion per year.

At least $3 worth of goods, services, and facilities are required to maintain every dollar of payroll, thus the saving of $4 billion in payroll means a related tax saving of $12 billion in goods, services, and facilities.

These five items of savings, possible by enacting the proposed 23d amendment, add up as follows:

The goods, services, and facilities that can be saved is	$12,000,000,000
The payroll that can be saved each year is about	4,000,000,000
The losses that will no longer require tax support are	10,000,000,000
The interest that will be saved will exceed	1,250,000,000
The amortization charge that will be saved exceeds	$1,250,000,000
This adds up to a tremendous total of	28,500,000,000
Plus the savings resulting from putting foreign aid back into the hands of private citizens, on a voluntary basis	4,669,000,000
Means a total annual saving to taxpayers of	33,169,000,000
Compared with the total of individual income taxes collected	32,495,000,000
Indicates the Federal Government would have a surplus of	674,000,000

by repealing the individual income taxes (1954 level) at the same time the Federal corporate activities are sold back to the American people from whom they were taken.

BUREAUCRATS COMPETE WITH AMERICAN BUSINESS

So we can get the individual income tax off our neck on the very day we get the Federal bureaucrats out of competition with our business—and on that very day we will find that a veritable flood of new tax revenues will begin to flow into the Federal Treasury which will enable the Government to steadily retire the national debt and cut taxes in other areas.

This is the way it works. The very day we stop Federal income taxes, every person in the Nation will have an increase in net take-home pay exactly equal to the income taxes we now pay. This will not depend on any change in the rate of pay. It only depends on getting the Government back within constitutional limitations, getting bureaucrats out of competition with our private business, under the terms of House Joint Resolution 123.

This means that almost every one of us will have more than 15 percent more money to spend simply because we will have this amount of our earnings restored to us, in exactly the amount we reported on our tax Form 1040.

What would you do with your new income? Buy new drapes, or new furniture, or a new automobile, or even an airplane? Or perhaps invest in a business of your own, with new equipment. If you save your new income, putting it into the bank, it will be available for loans so others may expand their business or satisfy some important need.

However it is used, this better than 15 percent, new take-home pay will be spent for things, or services, or savings, increasing business volume tremendously. It is estimated the Federal Government will receive 15 percent more taxes from the increased volume done by the present business community, which would mean an increase of $3,231,900,000 in taxes each year from this source, based on 1954 standards.

SALE OF FEDERAL CORPORATIONS WOULD PUT PROPERTIES ON STATE AND LOCAL TAX ROLLS

Similarly, the sale of the Federal corporate activities would put about 20 percent more industrial and business capacity back on the tax rolls to share the burden, and this, at 1954 levels, would mean that this new source of revenue would yield to the Federal Treasury $4,309,200,000 per year.

The surplus in the foregoing computation	$674,000,000
The 15-percent increase from present business taxpayers will yield	3,231,900,000
The new tax payments—20-percent increase by new taxpayers	4,309,200,000
Based on the 1954 experience, the surplus and new tax sources can yield a total of	8,215,100,000
In 1954 the Federal Government operated at a deficit of	3,116,000,000
We can take care of that deficit and still leave the Government	5,098,487,000
This is enough to permit the abolition of gift and estate taxes	935,000,000
And still leave the Government, based on 1954 experience	4,163,487,000

That can be applied every year on the national debt, retiring it completely on this scale in much less than 50 years at the maximum.

This is a wonderful outlook, and it is all possible on the day we enact House Joint Resolution 123, now pending in the Congress. We can compel action on this by demanding that every Representative of ours, in Congress or in the State legislatures, get it enacted. We can demand that every candidate who seeks our vote declare his position on this question so we can know how to vote to serve our best interest as citizens and as Americans.

This is not the end of the equation. The cost of collecting individual income taxes amounts to about $200 million every year.

Then there is the item of printing the tax forms and all the auxiliary items that relate to collecting individual income taxes, which creates a deficit in the Government Printing Office of $100 million a year.

There is also the cost of postage, which amounts to an estimated $40 million per year just to handle the flood of parcels, booklets, and letters relating to collecting the individual income taxes. This appears as a deficit in the Postoffice Department and would no longer require deficiency appropriation of your tax dollars.

There is, in these three items, $340 million a year to help pay off the debt, stepping up the rate by which we can get back to solvency as a nation and cut other kinds of taxes. Every statistical fact proves that it can be done by the enactment of the Gwinn amendment, now pending in Congress as House Joint Resolution 123.

Instead of groaning under an inhuman load of individual income taxes, we could abolish and repeal the individual income tax laws.

Instead of operating the Federal Government at an annual average deficit of $12 billion a year, as we have been during the last 20 years, we can pay off the national debt at the rate of nearly $5 billion a year while operating on a balanced budget.

Instead of the violent conflict between Government and people regarding which shall own and operate the enterprises created by the people, we will have a Government devoted to protecting our lives and properties.

Instead of Government being the greatest pauper in history, it will be returned to a

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solvent position and will have the affection of the American people returned to it, and the affection of the citizens is the greatest asset any government can possibly possess.

All of this, just by enacting House Joint Resolution 123 as it is now pending in Congress.

But there is even more. Think of the time, the worry, and the money each one of us have been spending to conform to the tax requirements. All this would be saved. So would the time, money, and energy we spend in protective lobbying, special bookkeeping, reporting, accountants fees, and any number of other costly impositions which now involve us. Then there is the savings that will result because it will no longer be necessary to ferret out, prosecute, and incarcerate those who fail, for any reason, to conform to the more than 400,000 words now in the individual income tax laws.

Every person in the land can think of an infinite variety of other benefits that will come to every one of us on the day we take the Federal agencies out of competition with our individual business enterprise, thus stopping the waste of our tax dollars by the bureaucratic empire builders, and enabling us to use our own earnings in our own way and at our own pleasure by repealing the individual income tax.

EVERYONE WILL BENEFIT BY ENDING CUT-THROAT GOVERNMENT COMPETITION WITH TAXPAYING BUSINESS

The analysis presented here deals only with the dollars and cents elements of the Federal competition with private enterprise and the individual income tax laws. It does not take into consideration the advantages to every business when the threat of cost-free, rent-free, tax-free, cutthroat competition is removed.

Neither does it take into consideration the wide variety of benefits to come from a people whose genius is not restrained by political straitjackets of competition or the blight of impossible tax burdens.

This seems to add up to a wonderful vision of fabulous benefactions that stun the imagination, yet there is still one more highly important factor to be considered. When the Federal corporate activities are sold back to the American people, tremendous amounts of property will go back on the local, county, and State taxrolls. In some areas this will be an item of enormous importance.

In California, for example, the Federal bureaucracy owns 48 percent of the land area of the State. House Joint Resolution 123, which you recall provides that "the Government of the United States shall not engage in any business, professional, commercial, financial, or industrial enterprise except as specified in the Constitution," will compel the Federal agencies to relinquish this vast empire, selling it back to the people. In this way about 40 percent more property will go on the local taxrolls to share the burden with the present taxpayers. This will reduce the amount of taxes to be paid by each taxpayer.

85 PERCENT OF NEVADA UNDER FEDERAL OWNERSHIP

In Nevada, the difference will be even greater as the Federal corporations now own and operate 85 percent of that State. Returning these vast areas to the jurisdiction of the States in which they are naturally contained, means that the principle of States rights will be reestablished and the governor of such a State as Nevada, where he is currently governor of only 15 percent of a State, will be governor of all the State, as was originally intended by the Constitution.

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In each State and in each city and to each person the situation differs. But in every instance, without exception, the transfer of these vast bureaucratic empires back to the Ameriacn people means an infinite variety of benefactions beyond the power of human imagination—just as the Constitution itself held advantages for us far beyond the dream of even those who gave it life.

Well, there it is—a program of dollars and cents reality, built upon the hard facts of truth, supported with overwhelming quantities of irrefutable evidence. There can be no question of the tremendous financial advantage of restoring the American private enterprise system, giving the business of producing, distributing, and consuming the same constitutional protection we have always enjoyed in other fields. It all adds up to the simple equation that we can get the politicians out of our pockets the very day we get the bureaucratic empire builders out of our business. All that is needed is to fortify the terms already written into the Constitution, giving them reality and fact, by adding two more amendments.

First, House Joint Resolution 123, now pending in Congress, which provides that "the Government of the United States shall not engage in any business, professional, commercial, financial, or industrial enterprise except as specified in the Constitution."

Second, get action on a proposed constitutional amendment to provide that "Congress is prohibited from levying taxes on personal incomes, inheritances, or estates."

PEOPLE MUST WORK FOR REPEAL OF OPPRESSIVE TAX LEGISLATION

The day we really get together as a people, and labor jointly in the common cause as the Founding Fathers did, we can add these two amendments to the Constitution. Do you remember when Congress levied a tax of 10 percent on the purchase of 50 or more postcards? This 10-cent tax on a dollar's worth of postcards so enraged the American people that they went to work on their representatives in dead earnest. It was made perfectly clear to every person in office and every person who wanted to be in office that this tax had to be repealed instantly. Under this coordinated public pressure, the tax on postcards was repealed in a matter of days.

What about your personal income taxes? How much does it mean to you, personally, to get this one off your back? You know the answer as it applies to you, because it is the amount you reported on your income-tax form No. 1040. If you want that tax repealed—so you can keep that amount of your own earnings, then say so—and say it loud enough for your representatives to hear.

It's up to you to tell every Member of Congress and every Member of your State legislature exactly what you want—and what you are ready to do to get what you want. The day we do this with the same determination we displayed in the matter of the tax on postcards, the repeal of individual income taxes, and the enactment of House Joint Resolution 123 will be well on their way to accomplishment.

In this way the sovereignty of the States will be restored, just as the Constitution intended.

International justice, confidence, honor, and integrity will be restored.

The American theme of "equal justice under law" will be reestablished, with Government back at its rightful job of governing and regulating, protecting our lives and property.

This will constitute a great rebirth of liberty, making us free in fact, giving substance to our claim that ours is the land of the free and the home of the brave.

It will solve the most difficult of all our internal problems—the strife between management and labor—by restoring to labor the fruit of its toil, putting a greater net increase in the pay envelope of all Americans than any politician or labor leader ever dared suggest.

All this and much, much more is ours just as soon as we accept this challenge of Americanism, use our citizenship to define the terms of our freedom by adding these two amendments to the Constitution, and thus bring new vitality and greatness to our institutions of liberty—to the ideals of equal justice under law.

Mr. GWINN. Mr. Speaker, on July 11, I inserted in the Appendix of the RECORD a speech by Mr. Willis Stone delivered before the Congress of Freedom at Dallas, Tex., last April 7.

This speech contained figures which may seem incredible. But a check has been made and I find that included in the principal statistical sources drawn upon for facts were such authentic publications as our own United States Government Manual, the Federal budgets for recent years, the audit reports of the Comptroller General on Government-owned corporations, the annual reports of the Secretary of the Treasury, and the reports and task force reports of the Commission on Organization of the Executive Branch of the Government, the statistical abstracts of the United States, and the CONGRESSIONAL RECORD.

Mr. Stone has developed the thesis that the misuse of the taxing power is making us captives of the Federal bureaucracy. I cannot resist, therefore, supporting Mr. Stone's thesis by again pointing out the legitimate functions of Government to which its activities should be limited. Moral wrongs, whether by Government or by individuals, cannot long be tolerated.

We do have legitimate areas laid down in the Constitution within which Government can function. All others are illegitimate. These illegitimate functions I hate as much as anyone.

There is just one legitimate area, and only one, where the Central Government is honorable and, indeed, admirable, and, on the whole, honest. That area has to do with the defense of the people's rights and property, the maintenance of law and order, and the sacrifice having to do with national defense.

These are legitimate functions of Government not merely because the Constitution or the contract with Government says so. They are proper functions because the moral and natural law made them so, long before the Constitution. They are in the nature of things. The individual has the same rights and powers with the same limitations imposed on him by the moral and natural law. He can use force to defend himself and his property. And that is the only time he can use force on another person without his consent. He can transfer that right and power to Government as his agent. And since all rights and powers come from the Creator to the individual, he can convey no different or higher right or power to Government than he himself possesses.

Even if people should vote by a majority to give more power to Government than they themselves possess as individuals, the transfer would be no good. When Satan offered to Jesus, in the hour of His greatest temptation, the powers and privileges of the kingdoms of the world, Jesus rejected them utterly. Satan had no such power as he pretended to have to transfer to Jesus. He had simply assumed to have an immoral and illegal power over the people which he had no right to convey.

When the Government goes beyond that restricted area which is the only natural and moral area possible for Government to occupy, then without exception it becomes dishonorable, full of misrepresentation and corruption. It exploits the people to do special favors for special groups in return for their votes. It pretends to be able to manage people and their property better than they can manage for themselves. It attempts to play God in the lives of the people.

GOVERNMENT IS MORALLY WRONG

IT IS BEGINNING TO DAWN UPON US THAT USING THE FORCE OF GOVERNMENT TO TAKE OTHER PEOPLE'S PROPERTY TO DO GOOD ACCORDING TO GOVERNMENT'S NOTION OF WHAT IS GOOD IS ALL DEAD WRONG. THE FACT THAT THE WHOLE WORLD IS MORALLY WRONG BY TAKING PEOPLE'S PRIVATE PROPERTY AND MAKING IT GOVERNMENT-OWNED EMPHASIZES THE EXTENT OF THE WORLD COLLAPSE OF MORALS. AND, OF COURSE, WHAT IS MORALLY WRONG IS CONTRARY TO THE LAWS OF GOD. THE WORLD VIOLATES THEM WITH CONTEMPT. WHEN GOVERNMENT VIOLATES THE LAWS OF GOD BY DOING WHAT NO INDIVIDUAL CAN MORALLY DO, THEN IT IS JUST AS GUILTY OF WRONG AS THE INDIVIDUAL WOULD BE GUILTY. WHAT WE HAVE BEEN DOING HAS ALWAYS BEEN REGARDED ECONOMICALLY WRONG. IT IS INDEED BOTH ECONOMICALLY AND MORALLY WRONG.

FOR EXAMPLE, A LOT OF OUR OLD NEIGHBORS, SOME OF OUR CHILDREN, FELL IN LOVE WITH THE MOUNTAINS AND DESERTS OF THE GREAT WEST. THEY KNEW BEFORE THEY WENT WEST THAT THERE WAS NO WATER IN THE DESERTS. THEY WENT ANYWAY. THEY NEVER DREAMED OF TAPPING EVERY EASTERN FAMILY $25 FOR EVERY BILLION DOLLARS NEEDED FOR WATER. YET WHEN THEY ORGANIZED THEMSELVES INTO POLITICAL GROUPS THEY SAID TO THEIR CONGRESSMAN, "YOU GO BACK THERE AND TAKE $25 ON THE AVERAGE FROM EVERY FAMILY IN THE EAST, OR WE WILL NOT REELECT YOU TO CONGRESS." SO, THE CONGRESSMEN HAVE DONE VERY WELL. THEY HAVE ALREADY COLLECTED ABOUT $150 FROM EACH FAMILY, OR ABOUT $6 BILLION ALTOGETHER FOR THAT PURPOSE.

ANOTHER MORAL WRONG

As another example of the immoral and ridiculous, take a look at TVA in Tennessee. That was our first planting of a Socialist rose in a patch of weeds, otherwise called the free economy. All competition was killed off for its benefit. The rose has had to be artificially fed ever since 1922. And the feeding has cost us in recent years $190 million per year, a total of over $2 billion. That is another $50 per family Government has outrageously presumed to have the power to take from us. It sells power below cost so that 110,000 families heat their houses with electricity at your expense. TVA never can earn a surplus at such rates to build new facilities for a growing population. And Government can never raise the rates and keep the votes of the people. There will always be a shortage of power so long as TVA has to depend on Congress for its life. Industry will not move into Tennessee because they cannot depend on Congress to continue to carry such a weakling. Congress cannot depend on itself either in that regard. TVA does not pay a dime toward the national defense—it is exempt from all taxes. It has been a blight on the State of Tennessee. It has constantly fallen behind all the other 11 southeastern private power-producing States in agricultural products, in manufacturing, in retail sales, in growth of new business, in postal receipts. All this is in accordance to the Chamber of Commerce of the United States survey in 1953.

On all of our Socialist projects above described, the Government spends $10 billion annually, and loses most of it. That is $250 annually per famiy. And it is growing much worse. There is no restraint or reversal of the trend in sight.

WHO CAN STOP ALL THIS?—THE PRESIDENT CAN'T

CLEARLY THE PRESIDENT CANNOT STOP IT. WHEN HE RUNS FOR REELECTION THIS FALL, HE WILL BE MET BY A COMMITTEE AT NEARLY EVERY STATE LINE ASKING, ONE AFTER THE OTHER, "HOW MUCH, MR. PRESIDENT, WILL YOU TAKE FROM OTHERS TO GIVE TO US FOR MORE POWER THIS YEAR?"

CONGRESS CAN'T STOP IT

CONGRESS CERTAINLY CANNOT STOP IT. CONGRESS HAS TRIED AND FAILED.

THE REMEDY IS CONSTITUTIONAL, NOT LEGISLATIVE

We are now in somewhat the same position as that of our ancestors just prior to 1789. We, the people, must, as they did then, reassert and redefine, so that even the Supreme Court cannot misinterpret, the constitutional limitations on the functions of government. The taxing and spending powers of Congress must be limited again. We must first of all correct the dreadful mistake made in 1913, called the 16th amendment, which gave unlimited power to Congress to tax and spend. We must chain the politicians, as Jefferson said, to the limitations of the Constitution so they cannot break away from them.

We should make of ourselves a true example of freedom again in the world. It does not exist today. Thus we might hope to repeat the contribution which we made in the past against the police states of the world. Thus we could hope to reestablish peace at home and in the world.

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A California Non-Profit Corporation *Federally Tax-Exempt*
6413 FRANKLIN AVE. LOS ANGELES 28, IN THE SOVEREIGN STATE OF CALIFORNIA
HOllywood 7-3169

October 20, 1956.

Mr. Bob Temple,
Central Show Printing Co.,
Mason City, Iowa.

Dear Mr. Temple:

Thanks for your kind letter of October 16 inquiring into the activities of the American Progress Foundation. We are attaching several items which should demonstrate our activities. The inside front page of the booklet will provide some historical background.

We have very little information regarding the "Freedom of Choice" amendment, often referred to as the "Right to Work" amendment. We do know this is in force in several States and a strong drive is being made to get it into the federal Constitution. We regard it as an excellent and needed item.

Our work has been primarily devoted to the field of economics, the element of costs involved in the interest free, dividend free, cost free, rent free, and tax free federal corporate activities. A fairly comprehensive summary of this is contained in the attached Congressional Record reprint.

May we hope that your interest in this reform, which exactly represents an amount equal to your income tax payments, will cause you to join us, as a member, and help get the action needed in your State and in the Congress.

Sincerely

Willis E. Stone
President

THE AMERICAN PROGRESS FOUNDATION

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10/20/56

STOP THE CONQUEST

Do You Know that, without any constitutional authority, more than 700 federal agencies have invaded almost every field of productive enterprise in direct competition with YOUR private business activities?

Do You Know that these bureaucratic empires have taken over 40 percent of the land area and 20 percent of the industrial capacity of the nation?

Do You Know that this bureaucratic competition to your own enterprise is immune from law, rent free, cost free, interest free, tax free, and operating on capital taken from you through taxes?

Do You Know that YOU can help stop this conquest? We, the people, have the power to "ordain and establish" in the Constitution the provisions which will outlaw the process of injustices created by the federal corporations, thus restoring our economic freedom and the American concept of "Equal Justice Under Law".

Do You Know that your support will add enormous power to the work already done to regain YOUR economic liberty? A proposed 23rd Amendment to the Constitution, already approved by Illinois and now pending in Congress as H. J. Res. 123 provides that:

THE GOVERNMENT OF THE UNITED STATES SHALL NOT ENGAGE IN ANY BUSINESS, PROFESSIONAL, COMMERCIAL, FINANCIAL OR INDUSTRIAL ENTERPRISE EXCEPT AS SPECIFIED IN THE CONSTITUTION.

Do You Know that you can support this great movement RIGHT NOW? On the coupon below, you can indicate the kind and degree of help you wish to give.

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Willis E. Stone

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Friends:—

FREEDOM is a word without meaning—unless and until the terms of actual FREEDOM from physical domination and compulsion are defined and given force and effect.

The intent of our Constitution was to attain this concept of FREEDOM. The sole purpose of the Constitution is to define and LIMIT the powers of those we place in public office.

The BILL OF RIGHTS was expressly designed, according to the Preamble to those first ten amendments, "to prevent misconstruction or abuse of powers" by adding "further declaratory and **Restrictive** clauses".

Few people realize these facts and, fewer still, act upon them. We are in our present troubles with bureaucratic overlords and inhuman taxation simply because we have not **enforced** the basic concepts of the Constitution and the Bill of Rights.

A rapidly developing awareness of these primary facts is becoming evident. This is due to the leadership provided by you, good readers of this publication, members and friends of the American Progress Foundation, and to those allied in one way or another with the growing multitude of other groups engaged in the struggle to regain Liberty Protected by Law.

It is my firm belief that the American Progress Foundation has laid the cornerstone of this struggle for American ideals by following the essential pattern of our tradition and proposing a 23rd Amendment to our Constitution to REINFORCE the limitations upon the economic power of those in public office. This proposed amendment, already adopted by Illinois, has just been reintroduced into Congress by Congressman Ralph W. Gwinn (N.Y.) as H. J. Res. 123. It provides that:

> THE GOVERNMENT OF THE UNITED STATES SHALL NOT ENGAGE IN ANY BUSINESS, PROFESSIONAL, COMMERCIAL, FINANCIAL OF INDUSTRIAL ENTERPRISE EXCEPT AS SPECIFIED IN THE CONSTITUTION.

The American Progress Foundation's analysis of federal government records, copies available, indicates that this amendment is capable of totally restoring economic liberty to the American people, cutting the cost of operation of the federal government in an amount greater than the total volume of individual income taxes collected.

More than 6000 organizations have passed Resolutions in favor of the "Proposed 23rd Amendment". The State of Illinois has formally approved it. Many other States should adopt it during 1957, depending upon the volume and degree of support YOU and YOUR associates give this basic principle.

When 31 more States join Illinois in approving it, Congress will be compelled to either submit the amendment directly to the American people for ratification or call a Constitutional Convention for that purpose.

For maximum force in your efforts, I invite you to join the AMERICAN PROGRESS FOUNDATION. In coordination with many thousands of others, your strength will add much to the essential task of spelling out the TERMS of our FREEDOM in the Constitution of the United States, the organic law of the land.

Willis E. Stone

President, American Progress Foundation,

12/56

FORM 1040
U. S. Treasury Department
Internal Revenue Service

U. S. INDIVIDUAL INCOME TAX RETURN

ANY
CALENDAR YEAR

For other taxable years ending after S[illegible]30, 1950, but be[illegible] 31, 1951, attach Form 1040FY

EMPLOYEES: Instead of this form, you may u[illegible] if your income was less than $5,000, consisting wholly of wages [illegible]n on [illegible]ms W-2, [illegible] not more than $100 of other wages, dividends, and interest.

Do not write in these spaces

Serial N[illegible]

(Collector's Stamp)

Name .....
(P[illegible]). If this is a joint return of husband and wife, u[illegible] names of both

HOME ADDRESS .....
(PLEASE PRINT) and n[illegible]er and r[illegible] ro[illegible]

(City, town, or [illegible]) (Postal zone number) (State)

Occupation [illegible]ity ..... Occupation .....

☐ If [illegible] own na[illegible] and yo[illegible]wife (or husband) had no income, or if this is a joint [illegible] husband and wife, list name of your wife (or husban[illegible]

List names of other close relatives (as defined in Instructions) with 1950 gross incomes of less than $500 who received more than one-half of their support from you in 1950. If [illegible] joint [illegible] of husband and wife, [illegible] dependent [illegible]es of both.

Name (please print)

Check [illegible] how [illegible]ou (or your [illegible]) were [illegible] of [illegible]axable year

65 O[illegible]OV[illegible] BLIND

Check below—
[illegible]rit[illegible]1 i[illegible]he[illegible]5 nor blind;
[illegible]rit[illegible]2 i[illegible]ith[illegible]5 blind;
[illegible]rit[illegible]3 i[illegible]oth[illegible]5 [illegible]d blind.

Your exemp-

Your name .....
Wife's (or husband's) name .....

Yes ☐ No ☐ Yes ☐ No ☐
Yes ☐ No ☐ Yes ☐ No ☐

a. Number of exemptions for you .....

b. Number of her (his) exemptions .....

Abolish the Tax and the Form

HERE'S HOW . . .

Yes! You can count on me . . .

I KNOW . . .

that the centralization of power is destructive to our American way of life.

I will help end all government competition with private business.

I will help repeal individual income taxes.

I will join in support of H. J. Res. 355.

Non-Partisan *Non-Profit*

Join the

THE AMERICAN PROGRESS FOUNDATION and
ORGANIZATION TO REPEAL FEDERAL INCOME TAXES, INC.

725 N. Western Ave., Los Angeles 29, Calif.

Date_____

Enroll me as a member of these two great patriotic organizations.

Contribution to help speed - H. J. Res 355 $_____

I pledge a monthly contribution for two years to get H. J. Res, 355 adopted $_____

When called on I will help establish local chapter and secure members Yes____ No____

Name (please print) _____

Street Address _____

City, Zone and State _____

Please make all remittances to Orfit, Inc. (Organization to Repeal Federal Income Taxes, Inc.) or The American Progress Foundation.

The American Progress Foundation



WILLIS E. STONE, *President*
Industrial Engineer

By correcting the spending you can find the solution of our tax problem.

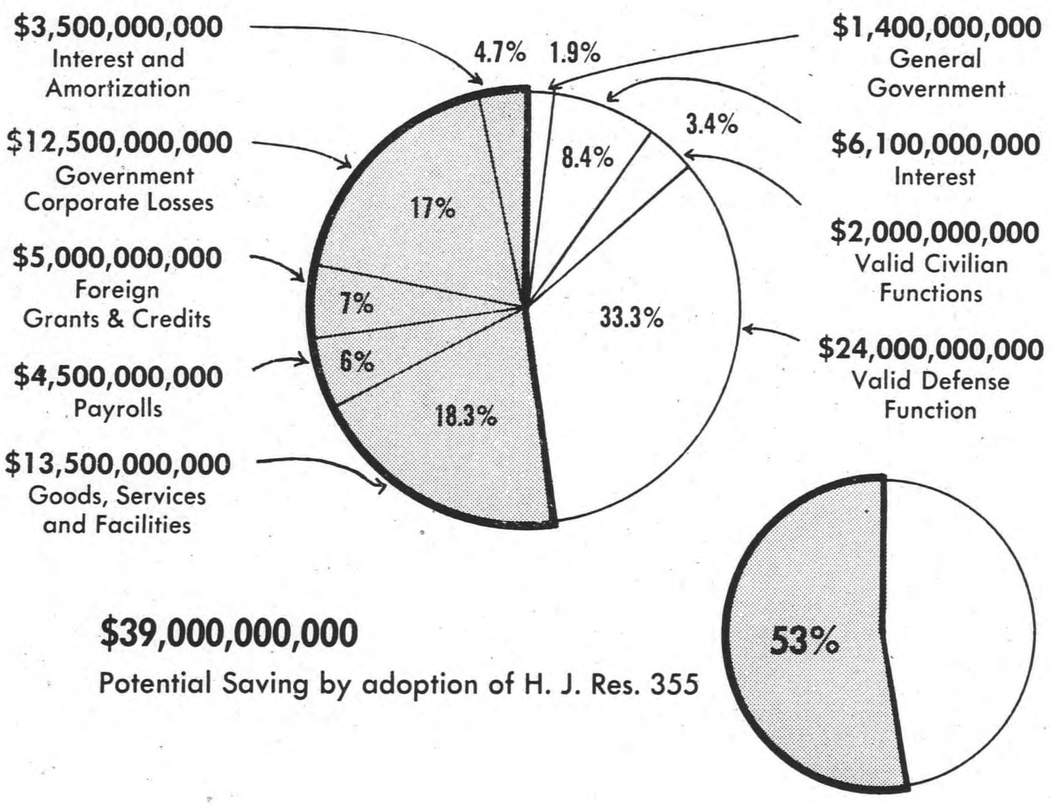
We have reduced the bureaucratic empires to a dollars and cents evaluation to learn the exact extent to which abolition of such practices can remove the burden of our tax load.

To rid ourselves of the federal corporate activities, an amendment to the Constitution has been designed to repair the damage done. It is a proposal which has been introduced into Congress by Representative Ralph W. Gwinn of New York. It has been approved by the State of Illinois. More than 6000 organizations have adopted resolutions in support of it. It is pending in Congress as House Joint Resolution 355 and it needs your support. now.

NON-ESSENTIAL
53%

SPENDING
1959 ESTIMATE

ESSENTIAL
47%



$39,000,000,000
Potential Saving by adoption of H. J. Res. 355

Staff

We must end forever, the competition our own government is thrusting upon the tax paying American business man.

We can do this by repealing the 16th (income tax) Amendment to our Constitution, from which the bureaucrats obtain the money tc set themselves up in rent free, cost free, tax free business in direct competition with our own tax-paying American business man. The bureaucrat has never been able to help business. What do they know about business?

To win, it is not the picture we strive to create of freedom which proves our freedom.

It is the effort we make to present the picture of the results of our Founding Fathers' work that slowly molds their work into a faith. It is from such faith, based on the liberty to choose between self satisfaction and the love of spiritual freedom, that our country and human dignity was born.

Our task now is to maintain this dignity for our future generations.



PAUL K. MORGENTHALER
General Manager



DWIGHT CLAAR, SR.
National Secretary

Organization to Repeal Federal Income Taxes, Inc.



D. B. LEWIS, *President*
Manufacturer

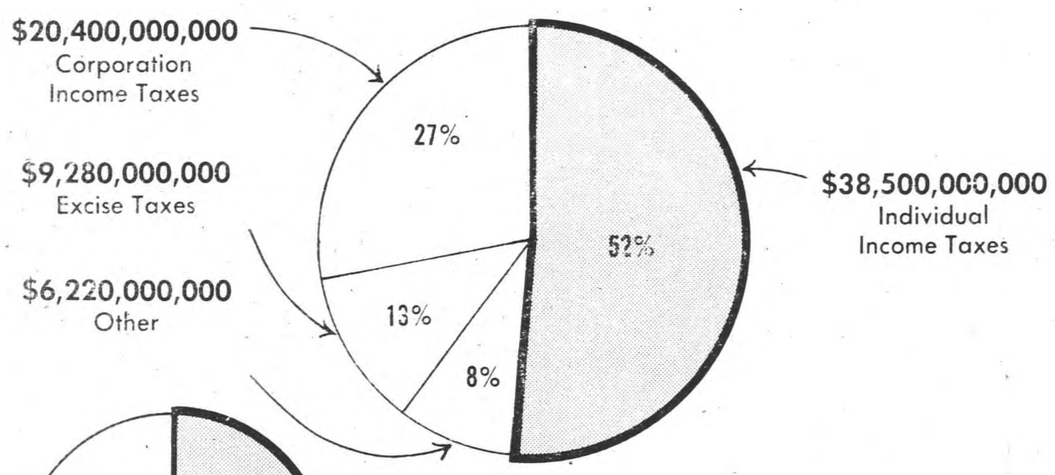
The outright repeal of the 16th Amendment under the terms of H. J. Res. 355 reaches the core of the problem. It will restore the independence of the States, the earnings of the people, the solvency of the nation. Let us now unite in action for these purposes.

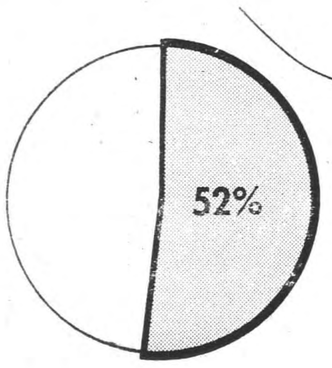
A loose patch-quilt collection of tax measures have been imposed upon us through the 16th (income tax) Amendment. Application of this amendment has challenged the sovereignty of the States, assailed the property rights of the people and produced a condition of national bankruptcy. Support this program with your check today.

TAXING

FEDERAL GOVERNMENT'S 1959 ESTIMATED INCOME

BY SOURCES





$38,500,000,000
TO BE COLLECTED THROUGH INDIVIDUAL INCOME TAXES (16th amendment)

Joint Operating Committee

Your Congressman must have the protection of the people in his district so he can honestly serve the public interest rather than the special interests of a centralized bureaucracy. This requires an informed citizenship.

The Joint Operating Committee of these two organization is devoted to public education through which we may restore the intent and purposes of the Constitution.



MAX A. KOFFMAN
Chairman



R BRUCE MURCHISON
Attorney



L. A. ALESEN, M.D.
Surgeon



H. A. WARDENBURG,
C.P.A.

D. B. Lewis, President of O.R.F.I.T., is also a member of this committee.

Here's Your Job From A Dozen View Points

General William H. Wilbur



Illinois

Expensive government activities in competition with private business serve to stifle the free enterprise system which is the backbone of America's strength.

The monies extracted by government to maintain these activities are obtained from corporate and personal income taxes. These are the very funds which are so essential for private enterprise to carry on the research and development so tragically needed, and which only the competitive drive of the free enterprise system can do.

We are on the threshhold of an era of greater and bigger scientific development. We must have the courage to liberate this wonderful American free enterprise giant in order for him to win—in the struggle for the survival of our Christian world. We need all our strength, morally and financially, to carry on. We need you, now.

Clare E. Hoffman, *Congressman*



Michigan

The Boston Tea Party—A demonstration against excessive taxation without representation —was the spark which signalled the Revolutionary war. After eight years of war, our forefathers adopted the Constitution, reserving to themselves and to the states all authority therein not expressly granted to the federal government.

The assumption that the legislative branch would protect the people from unjust, excessive taxation became futile when, through constitutional amendment and court decisions, the Congress was given power to levy income taxes. Today the Congress, though elected by the people, imposes a tax burden upon the average citizen which, as in pre-revolutionary days, will destroy his freedom—will ultimately destroy the republic.

"The power to tax is the power to destroy."

Let us realize the danger, insist that our representatives take prompt action to cure this evil.

Mary D. Cain, *Publisher*



Mississippi

It is beyond my comprehension to see Governors who would rather beg at Washington's back door for what is actually their own money, than to stand up to Washington and demand a restoration of State Sovereignty through resumption of its own taxing power.

I suppose the answer is that most of them would rather have John Taxpayer cuss Washington than politicians in the state who come up for re-election more quickly than national officials!

It is easy to hire a bureaucrat. Once there he becomes a part of a pattern of multiplying subordinates and tripping and blocking rivals, at the taxpayer's expense. This evil reverse of our original form of government can be stopped by H. J. Res. 355 which would get Washington out of business and repeal the income tax.

Clarence E. Manion, *Constitutional Lawyer*



Indiana

The withholding provisions of the federal income tax laws are based on the ignorance of the taxpayer. You can be sure that if the same sums were demanded in a lump, at one time, there would be a general revolt. Federal "squandermania" is based on its success in the invasion of your own States rights. It was from that invasion that every missuse of federal power grew. This could never have been done without the 16th (income tax) Amendment.

All that you have will be worthless if the federal government is allowed to pursue its course toward a runaway inflation. With more than 70 billions in tax money tucked away in the hands of federal agencies while the executive branch of our government is requesting another record breaking Budget of 74 billion, nothing can prevent it, if Congress allow them to get it, and spend it.

Adolph Menjou, *Actor*



California

It is high time for us to take account of what some people choose to call our "Tax-System." The truth is that it is not a system for collecting money at all. It is really intended to change our constitutional form of government. The time is running out and we will leave our future generations bound in the chains of slavery unless we, who are old enough to know freedom, act to free them. We can do this by working at the local level to create an atmosphere within each State legislature that will cause them to "request" the Congress of the United States to pass House Joint Resolution 355. This would get the government out of business and repeal the 16th. (income tax) Amendment.

The Internationalists and the Communists are usually found in the same crowd because they all have "one" common ambition—and that is to rule the world. Both made their first major step with the 16th (income tax) Amendment.

James L. Doenges, *M.D., Surgeon*



Indiana

Thought should be given to the reason why any person or group should desire to take the responsibility for any function from others. Those who plan such programs obviously regard the procedure as profitable to them. They expect to gain by the transaction. There are only two things to be gained and these are the right of those who surrender their responsibility and the control of those who no longer have their rights. The resulting concentration of power permits regimentation without resistance. The power to control makes it almost impossible for the individual to retrieve his rights.

Those who strive for freedom may be certain that they will never run out of something to do. Never forget that your inaction supports the opposition. You should back H. J. 355, now.

BACKGROUND

to Your Fight for Freedom

The **American Progress Foundation** has produced a factual, documented report on the destructive effect which government taxing and spending has imposed upon our American economic system. Upon this report the **Organization to Repeal Federal Income Taxes** bases its belief that the power of a centralized government in Washington must be ended by the repeal of the 16th (income tax) amendment.

There is nothing extraordinary about any of this, for it contemplates only a return to the basic concept which we all regard as truly American. These rewards can be achieved on the very day we focus our concern about taxes on the task of restoring the private enterprise concept. On that very day we will also find that a veritable flood of new tax revenues will begin to flow into the federal treasury which will enable the government to steadily retire the national debt and cut taxes in other areas.

This is the way it works. The very day we restore private enterprise by removing political competition, every person in the nation will have more money to spend. Withholding taxes will stop, and each one of us knows exactly what that will mean to each of us personally. This will not depend on any change in the rate of pay. It only depends on getting the government back within constitutional limitations, getting bureaucrats out of competition with our businesses.

This means that every one of us will have an average of 15 to 20 percent more money to spend simply because we will have this amount of our earnings restored to us. This will be spendable money — in exactly the amount we reported on our tax form 1040. Every one of us have some mighty good ideas of what we would do with this new income.

Instead of government being the greatest pauper in history, it will be returned to a solvent position and will have the affection of the American people returned to it, and the affection of the citizens is the greatest asset any government can possibly possess.

You, at the State and precinct level **can demand** that your State Legislature **adopt** the appropriate Resolution to require that Congress submit to the people for ratification the "Proposed 23rd Amendment" now pending in Congress as H. J. Res. 355. It provides that:

> **"Sec. 1. The government of the United States shall not engage in any business, professional, commercial, financial or industrial enterprise except as specified in the Constitution."**
>
> **"Sec. 4. Three years after the ratification of this amendment the sixteenth article of the amendments to the Constitution of the United States shall stand repealed and thereafter Congress shall not levy taxes on personal incomes, estates, and/or gifts."**

HERE'S HOW YOU CAN HELP

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GENERAL DOUGLAS MACARTHUR



New York

The fundamental and ultimate issue at stake . . . is not merely our money—it is liberty itself. The excessive taxation of an overgrown government versus personal freedom. Our swollen budgets constantly have been misrepresented to the public. Our government has kept us in a perpetual state of fear . . . with the cry of grave national emergency.

The Administration must cut spending, not only to reduce the burden of the people, but to eliminate "Arming the magistrate with a patronage of money which might be used to corrupt the principle of government."

The greatest danger to a high level of employment is not automation, but heavy taxation, which removes from industry the funds with which to expand and create new jobs for the increasing population. Excessive taxation produces results somewhat resembling the evils of slavery .

ROBERT E. NESMITH, *Construction Engineer*



Texas

The beauty of the word "competition" arises from the fact that it is the one single facet, in the basic idea, that made our country the greatest achievement of man in human freedom, ever experienced in all known history. Circumstances guiding the faltering steps of a brave people in a strange new land brought the very necessary addition of "free competition" into a quick and very sharp focus by the time our Founding Pilgrims had reaped their second harvest.

An attempt to define "Freedom" as a duty, for all to work for the common or general welfare, brought our Pilgrims face-to-face with starvation and the degradation that the world now knows as Communism. Being brave and far sighted people they were quick to make the change that marked the first, and most important, step into a "Way-of-Life" that has done more for personal liberty than any other act since the beginning of time.

RALPH W. GWINN, *Congressman*



New York

The Library of Congress, under date of June 27, 1957, released a study of 365 pages on "The Adverse Effects of the Expanding Activities of The National Government." Our first step in this fight for a return to constitutional freedom is to practice plain honesty by limiting government strictly to its proper functions and free our people from the improper burdens of it.

To do this, on June 10, 1957, I. introduced House Joint Resolution 355 on the floor of the House of Representatives which will forbid government to engage in competition with its own taxpayers, thereby making it possible to repeal the 16th (income tax) Amendment. You can help by giving all the support you can muster to the American Progress Foundation and the Organization to Repeal Federal Income Taxes.

CHARLES COBURN, *Actor*



California

It is my belief that the 16th Amendment is directly opposed and antagonistic to the constitution of the United States and repugnant to the intent upon which the contract is based.

For 127 years the federal government balanced its budget under a tax system which prevented any possibility of a political dictatorship. "We, the people" were sold down the river when through stupidity or cupidity our trusted representatives ratified the 16th Amendment granting dictatorial powers to Congress.

Under the 16th amendment no matter what we earn by the sweat of our brow we may keep only as little as the Czars of taxation are pleased to allow us. In these circumstances how can a man provide for himself and his family and set aside anything for the future? This is certainly not the *intent* of the constitution.

LUCILLE CARDIN CRAIN, *Author*



New York

It has long been the bane of the conservative cause that conservatives have not appreciated enough the importance of working together toward important objectives. The merger of the American Progress Foundation and the Organization to Repeal Federal Income Taxes, is a step in the right direction.

Both organizations are concerned with restoring to the American people their god-given freedom as spelled-out in their Constitution. Areas of freedom lost to them by the assumption, by our government, of functions it was never intended to perform and excessive taxation.

Their program should be energetically supported by all conservatives in the ranks of business, the professions, labor — and government. Every American should welcome the opportunity to help return freedom to the American people.

A. G. HEINSOHN, JR., *Manufacturer*



Tennessee

Regardless of what The New Deal Democrats and the Modern Republicans claim, the fact remains that a War of Independence was fought in this country less than two hundred years ago. It is still a fact that our ancestors did revolt against "big government" in England. They did found a new nation of self-reliant, self respecting, free men trusting in God and in their own efforts.

The Constitution was created to protect the citizens from big government. In Europe Karl Marx started another movement with the Communistic Manifesto. It was inevitable that these two theories of human government should clash. The only way to recover our freedom is to come out openly for the orderly repeal of the 16th (income tax) Amendment that has concentrated so much power in Washington.

From the Joint Offices of
ORGANIZATION TO REPEAL
FEDERAL INCOME TAXES, INC.
and
THE AMERICAN PROGRESS FOUNDATION
725 N. Western Ave.
Los Angeles 29
In the Sovereign State of
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H. J. Res. 355

A proposed Constitutional Amendment, will repeal your income tax and force government out of un-American and un-Constitutional competition with it's own tax paying citizens.

1957

FACT SHEET

No. 1
1957

Compiled, Edited and Published by
WILLIS E. STONE
6413 Franklin Ave., Los Angeles 28, California

SOURCE OF TAXES . . .

COMPLAINING ABOUT TAXES? Taxes are the price we pay for the government we get. We can reduce taxes in exact proportion to the reduction we make in the non-essential and unauthorized functions of government.

WHAT UNAUTHORIZED FUNCTIONS OF GOVERNMENT? This first FACT SHEET contains the list of more than 700 federal corporate activities which exist without any pretense of constitutional authority. They have taken over 40 percent of the land area and 20 percent of the industrial capacity of the nation. To pay their losses and hidden costs they consume, directly and indirectly, more than one-half the total income of government.

THESE BUREAUCRATIC EMPIRES grow at such a pace that our staff and facilities have been unable to maintain a full record of their activities, but we believe the information sources shown qualify each for listing herein.

THIS LIST OF UNAUTHORIZED ACTIVITIES is essential information if we are to effectively instruct our elected Federal and State Representatives in ways and means of cutting costs of government so that we may obtain Constitutional reduction in taxes and a return to basic Americanism.

SUBSEQUENT ISSUES OF FACT SHEETS will present the origin and history of various federal corporations, and a review of their activities. These documents will prove powerful implements in the hands of people determined to regain their economic liberty and rid themselves of inhuman tax burdens.

Knowledge is Power!

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The information contained in this first issue of FACT SHEET is an index to all future issues of FACT SHEET. Each succeeding issue will treat specifically upon one or more of the indexed Federal Corporate Activities, giving its history, its record of competition with Free Enterprise, its costs of operation—*costs which come from the taxpayer's pocket*—and its bureaucratic geneaology.

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A Comprehensive Index to

The Federal Government's Corporate Activities

in Aggressive, Non-Taxable Competition with Privately-Owned, Tax-Paying Enterprises

Business, Professional, Commercial, Financial or Industrial Enterprise activities of the Federal Government, dealing in whole or in part, as agent or principal, in the regulation, supervision, ownership or control of:

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International Cartels
Assumption of managerial and policy control of private enterprise
Banking and lending
Manufacturing
Production
Distribution
Merchandising
Insurance
Transportation
Warehousing
Medicine
Utilities
Minerals, Oils and Gases
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Subsidies

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fn—Foot note
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32 S.D.—Inventory Report on Federal Real Property in the U.S., Senate Document 32, 84th Congress, First Session
Ex-Import Bank—18th Semi-annual Report to the Congress, Jan.-June 1954
Rubber—Sixth Annual Report by the Secretary of Commerce
Int-Organ—International Organizations in which the U.S. Participates, 1949, State Dept.
(Abolished?) — Ordered abolished but apparently still operating.
(Liquidated?) — Ordered liquidated but apparently still operating.

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CS—Personnel and Civil Service
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LS—Legal Services and Procedure
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United Maritime Consultative Council, Int-Organ 324; (now Prov. Mar. Conlt. Council)
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Zirconium Manufacture (Bureau of Mines), BE 70; SBE 97; (Zirconium)

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FOR ADOPTION BY YOUR STATE LEGISLATURE

JOINT RESOLUTION

Proposing an amendment to the Constitution of the United States relative to abolishing personal income, estate, and gift taxes and prohibiting the United States Government from engaging in business in competition with its citizens.

Be it resolved by the General Assembly of the State of.....
....., the Senate and House of Representatives concuring, herein, that the members of the
.....General Assembly of the State
of..... respectfully
request the Congress of the United States to propose to
the people an amendment to the Constitution of the United
States or to call a convention for such purpose, as provided
by law, to add to the Constitution an article providing
that:

"ARTICLE_____

"Section 1. The Government of the United States shall not engage in any business, professional, commercial, financial or industrial enterprise except as specified in the Constitution.

"Section 2. The Constitution or laws of any State, or the laws of the United States shall not be subject to the terms of any foreign or domestic agreement which would abrogate this amendment.

"Section 3. The activities of the United States Government which violate the intent and purposes of this amendment shall, within a period of three years from the date of ratification of this amendment, be liquidated and the properties and facilities affected shall be sold.

"Section 4. Three years after the ratification of this amendment the sixteenth article of amendments to the Constitution of the United States shall stand repealed and thereafter Congress shall not levy taxes on personal incomes, estates, and/or gifts."

RESOLVED, That a certified copy of this Resolution be forwarded by the Secretary of State to the President of the United States Senate, the Speaker of the House of Representatives, and to each member of Congress from the State of.....

This resolution is submitted to comply with Article V of the Constitution of the United States which provides for amendment thereto.

Thirty-Two States adopting this identical Resolution will make it mandatory that this proposed amendment be submitted, directly or by Constitutional Convention, to the people of the States for ratification.

Each resolution adopted must be identical to be counted.

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American Progress Foundation. December, 1954-February 28, 1963. MS The Hall-Hoag Collection of Dissenting and Extremist Printed Propaganda: Extreme Right Organizations (ERO) 76.43/Hall Hoag 923. Filmed from the holdings of The Hall-Hoag Collection of Dissenting and Extremist Printed Propaganda, John Hay Library, Brown University. Political Extremism and Radicalism, link.gale.com/apps/doc/DGDTHU629656280/PLEX?u=msul&sid=bookmark-PLEX&pg=1. Accessed 28 Mar. 2023.

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From the Joint Offices of

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Secretary

THE AMERICAN PROGRESS FOUNDATION

and

WILLIS E. STONE, *President—A California Non-Profit Corporation*

ORGANIZATION TO REPEAL FEDERAL INCOME TAXES, Inc.

D. B. LEWIS, *President—Non-Profit—Chartered in Washington, D.C., 1953*

725 NORTH WESTERN AVENUE — LOS ANGELES 29, CALIFORNIA — HOLLYWOOD 3-6834

To My Fellow Taxpayers:

This letter is sent to you for a very important reason.

We have appeared before the House Ways and Means Committee presenting our testimony that, by removing government competition with private (tax paying) enterprise, the cost of government can be cut in half and reduce the need for taxes accordingly.

Our second phase is to get hearings on H.J. Res. 355 by the House Judiciary Committee, using this sounding board to muster a widespread public opinion to force "the issue" to the floor of Congress for action and gain the support of the Legislatures of each State.

You can actually FEEL the tax revolt, as it grows. To utilize and direct this overwhelming public sentiment, and solve the critical problems of federal taxing and unnecessary spending REQUIRES YOUR SUPPORT!

(1) Back your desire for tax reduction with your check.

(2) Use your influence with every group you can reach, to support HOUSE JOINT RESOLUTION 355 (copy enclosed).

(3) Use every means you can to get action from your own State Legislature to pass a supporting Resolution IDENTICAL to the wording of the one enclosed.

(4) Mail your PLEDGE TO FREEDOM today.

Sincerely,

Max A. Koffman, Chairman
Joint Operating Committee

MAK/dc

MY PLEDGE TO FREEDOM

You can count on me. Here is my word and my check, payable to either organization above, for $..... to help BACK-UP our mutual fight for Freedom.

I will work on these numbers mentioned in this letter 1,2,3,4.

Name..... Phone.....

Street..... City..... Zone..... State.....

THE ORGANIZATION TO REPEAL FEDERAL INCOME TAXES, INC., in co-operation with THE AMERICAN PROGRESS FOUNDATION, supports the adoption of H.J. RES. 355, which provides that: "Sec. 1.—The Government of the United States not engage in any business, professional, commercial, financial or industrial enterprise except as specified in the Constitution. Sec. 4.—Three years after the ratification of this amendment the sixteenth article of amendments to the Constitution of the United States shall stand repealed and thereafter Congress shall not levy taxes on personal incomes, estates, and/or gifts."

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A California Non-Profit Corporation *Federally Tax-Exempt*
6413 Franklin Ave. Los Angeles 28, In the Sovereign State of California
HOllywood 7-3169

June 1, 1957.

Mr. Barry F. Richmond,
9 Mayflower Ave.,
Westerly, Rhode Island.

Dear Mr. Richmond:

Thanks for your inquiry regarding the "Proposed 23rd Amendment". Attached is a reprint from the Congressional Record which gives an effective summary of the effect this proposal will have upon our way of life. The benefits described await our use of our powers of citizenship by which we can outlaw the communal practice of governmental competition with the enterprises of its citizens.

The documentation behind the "Proposed 23rd Amendment", which is now pending in Congress as H. J. Res. 123, has proved adequate to support a move to repeal the 16th (income tax) amendment. Introduced by Congressman Hoffman of Michigan, it is pending in Congress as H.J.Res. 232.

The importance of our program behind these two proposed constitutional amendment has an enormous value to you. It equals the amount of money you will pay this year, and every year, in income taxes. For this reason it both needs and deserves your support. A membership application form is attached for your convenience.

Sincerely

Willis E. Stone
President

The "Proposed 23rd Amendment" now pending in Congress as H.J. Res. 123, provides that: The Government of the United States shall not engage in any business, professional, commercial, financial or industrial enterprise except as specified in the Constitution.

Not Printed at Government Expense

85TH CONGRESS
1ST SESSION

H. J. RES. 355

IN THE HOUSE OF REPRESENTATIVES

JUNE 10, 1957

Mr. GWINN introduced the following joint resolution; which was referred to the Committee on the Judiciary

JOINT RESOLUTION

Proposing an amendment to the Constitution of the United States relative to abolishing personal income, estate, and gift taxes and prohibiting the United States Government from engaging in business in competition with its citizens.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

"ARTICLE —

"SECTION 1. The Government of the United States shall

not engage in any business, professional, commercial, financial or industrial enterprise except as specified in the Constitution.

"SEC. 2. The constitution or laws of any State, or the laws of the United States shall not be subject to the terms of any foreign or domestic agreement which would abrogate this amendment.

"SEC. 3. The activities of the United States Government which violate the intent and purposes of this amendment shall, within a period of three years from the date of the ratification of this amendment, be liquidated and the properties and facilities affected shall be sold.

"SEC. 4. Three years after the ratification of this amendment the sixteenth article of amendments to the Constitution of the United States shall stand repealed and thereafter Congress shall not levy taxes on personal incomes, estates, and/or gifts."

H.J. Res. 123 — Gwinn Amendment to remove bureaucratic competition to taxpaying private enterprise, thus cutting the COST of government in half.

and

H.J. Res. 232 — Hoffman Amendment to repeal the 16th income tax amendment, thus cutting the REVENUE of government in half.

NOW

H.J. Res. 355 — Combines both principles; ELIMINATING BUREAUCRATIC COSTS so that your PERSONAL INCOME TAXES CAN BE ELIMINATED.

The application of both principles, under the terms of H.J. Res. 355, will prove highly profitable to the Government and give every citizen an increase in net take-home pay equal to his present tax bill.

Proof of these facts are available from

AMERICAN PROGRESS FOUNDATION
725 North Western Avenue, Los Angeles 29, California

ORGANIZATION TO REPEAL FEDERAL INCOME TAXES
725 North Western Avenue, Los Angeles 29, California

Get this Resolution adopted by YOUR State Legislature.

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(Not printed at Government expense)

Congressional Record

United States of America

PROCEEDINGS AND DEBATES OF THE 85th CONGRESS, FIRST SESSION

How To Stop Paying Taxes

EXTENSION OF REMARKS

OF

HON. RALPH W. GWINN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 30, 1957

Mr. GWINN. Mr. Speaker, the time has come to recognize the fact that neither this nor any other Congress is going to repeal socialistic measures one at a time. It cannot order one group of beneficiaries of Federal subsidies to get out of the feed trough first. They must all be taken out together which means that we need an overall measure to do just that. If some such overall measure is not adopted we are faced with the inevitability of continuing at an ever-increasing pace the socialization of all groups until everybody feels they are all feeding alike in the common feed trough.

It is for that reason I have introduced House Joint Resolution 355 and will continue to press for favorable congressional action on a constitutional amendment which will repeal the 16th amendment together with another provision which will end, once and for all, that competition with its own citizens brought about by the Government corporation. The adoption of this amendment to the Constitution would mean that the Federal Government would no longer need the present vast sums derived from the individual income tax.

I would like, at this point, to quote from a radio broadcast which shows, in terms of statistics, just how this proposed constitutional amendment would work:

HOW TO STOP PAYING TAXES

The following informal discussion between Dan Smoot and Willis E. Stone was presented this week on the Dan Smoot radio broadcast. Willis E. Stone, president of the American Progress Foundation, 6413 Franklin Avenue, Los Angeles, Calif., is one of the Nation's foremost experts on the subject of taxation—and on the subject of the unconstitutional activities of the Federal Government:

"Mr. SMOOT. Bill, I have been looking over a remarkable document which you published: How To Stop Paying Taxes. That's a catching title—at this time of year, particularly.

"Mr. STONE. It is going to become more catching as time goes on.

"Mr. SMOOT. Bill, this study of yours is really one of the most startling things I've ever seen. Based on a review of the 1954 budget and of the 1954 fiscal operations of the Federal Government, it reveals that, if the Government had stayed within the constitutional limits of its power, in that one year, we could have avoided paying any personal income tax at all; and the Government still would have come out with a debit of $674 million.

"Can you justify that claim?

"Mr. STONE. Yes, but let's correct a point. This debit you speak of—$674 million: that's a black-ink balance. That is a profit to the Government. I wanted to make that very clear.

"Mr. SMOOT. Let me review this. If the Government had operated constitutionally in 1954, according to your calculations, it could have got by without collecting one penny of personal income tax, and could have come out in the black $674 million?

"Mr. STONE. That is right. This is quite a story.

"Mr. SMOOT. Yes, go into it.

"Mr. STONE. Well, here is the point of departure: The Government of the United States is operating over 500 Federal corporations. None of these have any constitutional authority for existence at all.

"Mr. SMOOT. That sounds like the corporate state that Mussolini set up in Fascist Italy.

"Mr. STONE. Well, it is very close to it. These Federal corporations have taken over 40 percent of the land area and 20 percent of the industrial capacity of the United States.

"In their operations, they go into red ink on such a vast scale that to pay their losses and their hidden costs, they collect taxes, or they use tax dollars provided by individuals, almost every one of them.

"That is why I am in favor of the proposed 23d amendment which would make it impossible for the Federal Government to operate all these agencies, or corporations, in competition with private citizens.

"Mr. SMOOT. Bill, you actually are the author of that proposed 23d amendment, aren't you?

"Mr. STONE. That's correct.

"Mr. SMOOT. Isn't it rather brief? Could you give us the wording of it?

"Mr. STONE. It is pending in Congress as House Joint Resolution 123, reintroduced into the 85th Congress by Congressman RALPH W. GWINN, of New York. It provides that the Government of the United States shall not engage in any business, professional, commercial, financial, or industrial enterprise except as specified in the Constitution.

"Mr. SMOOT. That's the whole proposed amendment?

"Mr. STONE. There are some other implementing clauses, but that's the whole intent and purpose.

"Mr. SMOOT. And that's the thing you claim would save us some $33 billion or $35 billion a year or more?

"Mr. STONE. That's right. Now, this is the way it works: It would cause 40 percent of the land area, roughly, and 20 percent of the industrial capacity to be sold back to the American people. They would pay for it with their Government bonds.

"This would cut the national debt over $50 billion. Now, it costs one and a quarter billion dollars to pay the interest on that portion of the national debt. It costs a billion and a quarter in taxes to pay the amortization charges against that portion of the national debt.

"But this amendment would stop the losses of these Federal corporations. And they lose—after operating all year long rent free, cost free, interest free, and tax free—they manage to lose over $10 billion a year.

"Mr. SMOOT. Now, wait a minute. The Federal corporations—you mean such things as TVA, the Small Business Administration—all lose an average of $10 billion a year on their operations?

"Mr. STONE. They lose in excess of $10 billion a year.

"Mr. SMOOT. Another figure: You say you anticipate that the Government would be required by your amendment to sell, to private individuals or private corporations or private enterprise, its holdings? You mean such things as Tennessee Valley Authority?

"Mr. STONE. That's right.

"Mr. SMOOT. And the Government could get a total of $50 billion?

"Mr. STONE. That is correct. The acquisition price, according to the Government's inventory, is somewhere around $200 billion. We're estimating that all of this property—which cost $200 billion—could be sold to private citizens and corporations for at least $50 billion.

"Mr. SMOOT. You've estimated it very conservatively, haven't you?

"Mr. STONE. We feel we have been ultraconservative in our estimates.

"Mr. SMOOT. You take $50 billion off the national debt by selling these properties which the Government never had any right to acquire in the first place. And you save $10 billion a year on what they are losing, then a billion dollars on what we are paying on $50 billion a year on the national debt——

"Mr. STONE. That is a billion and a quarter in interest and another billion and a quarter in amortization. Then there is $10 billion in losses that would be abolished because there is no place to lose it any more. And then you have another factor. On the general payroll—not the corporate payroll, but on the general payroll of the Federal Government—are approximately 1 million people who do nothing but service the Federal corporations, without any cost to the Federal corporations. Now they would go back into the fields of private enterprise and earn a living.

"Mr. SMOOT. You mean a million government employees——

"Mr. STONE. A million governmental employees——

"Mr. SMOOT. Doing a bookkeeping job for the Federal corporations?

"Mr. STONE. Well, doing a servicing job. They are providing printing, attorneys, research—all manner of services.

"Mr. SMOOT. A million government employees?

"Mr. STONE. That's right. With a payroll of about $4 billion a year and a cost in goods, facilities, and services of $12 billion a year.

"Mr. SMOOT. What all does that include? Such things as typewriters, buildings, and so on, which must be provided for those 1 million employees?

447253—64261

"Mr. STONE. Yes. It might be interesting for you to know, Dan, that there are three and one-half typewriters for every typist in the Federal Government.

"Mr. SMOOT. They have plenty, don't they?

"Mr. STONE. They are well equipped. Now, these five items—that is, interest, amortization, losses, payroll and goods, services and facilities aggregate $28½ billion at the 1954 level.

"That is what we, the taxpayers, are paying to maintain the competition of rent free, cost free, interest free, tax free, competition of the Federal agencies against our own enterprises.

"This is a dual proposition. There is no equity, no justice. This isn't a single standard. These Federal corporations are princes of privilege, and they represent a loss to the American taxpayer of $28,500,000,000 tax every year. This is on the 1954 level.

"The proposed 23d amendment would also outlaw this fantastic thing called the foreign aid program, which the American taxpayers are compelled to pay. At the 1954 level, $4,669,000,000 in 1 year was spent to maintain socialistic and communistic regimes in power in foreign nations. Now, the $4,669,000,000 in foreign aid that would be abolished, plus the abolition of the cost of operating the Federal corporations to the taxpayers ($28½ billion) means that we can cut the cost of Government by the proposed 23d amendment $33,169,000,000.

"In 1954 the total volume of income taxes collected from individuals (before refunds) was $32,495,000,000. So you see, in 1954, if the cost of the Government had been cut in compliance with the terms of the proposed 23d amendment, the Government would have been $674 million richer that year—without collecting 1 penny in individual income tax.

"Mr. SMOOT. Bill, if we should get this amendment that you propose—the Gwinn amendment, or the 23d amendment—adopted, and the Government had to sell all these facilities which you claim the Government has no constitutional right to be operating anyway (such as Tennessee Valley Authority and the big Bonneville Dam up on the Columbia River), what would those areas do for electrical power? Isn't it necessary for the Government to be in there producing power for those folks

"Mr. STONE. Not at all. In fact, the only two areas of real electrical power shortage in the United States are those areas where the Government maintains a monopoly: Bonneville and TVA.

"Mr. SMOOT. Those are the only two areas in the Nation where there is a power shortage?

"Mr. STONE. That's right. Private enterprise has never known an area of power shortage, because private enterprise is equipped to go ahead and build, and pay taxes on its investments, and enlist voluntary financial support to build needed projects. But the Government of the United States—not the Government as we usually think of it, but the governmental agencies that have captured the machinery of government—is in open warfare with private enterprise in the development of electrical projects. I point out to you the Niagara River project and the Hells Canyon project of the Idaho Power Co.

"Mr. SMOOT. What can we do about it?

"Mr. STONE. We can get the Government out of competition with its very own citizens.

"Mr. SMOOT. How can the citizens who are interested do anything about this constitutional amendment that you propose?

"Mr. STONE. There are two ways of getting this constitutional amendment, which would restore the basic faith of the Founding Fathers. One way is to get a two-thirds majority of both Houses of Congress to authorize the submission of the proposed 23d amendment to the State legislatures for ratification. But we don't have to wait for that.

"Mr. SMOOT. That's what Congressman RALPH GWINN is doing in introducing this resolution in the Congress; isn't it?

"Mr. STONE. That's correct. But the State legislatures themselves (according to the fifth article of the Constitution) can initiate this thing in a very simple sort of way. On the application of the legislatures of two-thirds of the several States, Congress shall call a convention for proposing amendments. Any amendment proposed at such a convention must then be submitted to the States. To be adopted, the amendment must be ratified by three-fourths of the States.

"The State of Illinois has already taken the lead in this action and has adopted a resolution requiring Congress either to submit this proposed amendment to the American people for ratification, or call a constitutional convention for that purpose.

"Mr. SMOOT. Have any of the other States done that?

"Mr. STONE. No; but it is now going before other State legislatures—Texas, California, Colorado, the Carolinas. Citizens in many States, I hope, will ask their legislatures to present this 23d amendment proposal."

U. S. GOVERNMENT PRINTING OFFICE: 1957

FACT SHEET

Vol. 1
No. 18 17

Compiled, Edited and Published by
WILLIS E. STONE
6413 Franklin Avenue, P. O. Box 2948, Los Angeles 28, California

Rural Electrification Administration

***RURAL ELECTRIFICATION ADMINISTRATION** appears in the list of more than 700 federal corporate facilities itemized in FACT SHEET No. 1*

History

The **RURAL ELECTRIFICATION ADMINISTRATION** was created, as a **TEMPORARY agency, by Executive Order 7037,** May 11, 1935, under the authority of the **"Emergency Relief Appropriation Act of 1935."** In 1936 Congress gave REA legitimacy and permanence by making it an Independent Agency answerable only to the President (7 U.S.C. 901). On July 1, 1939, REA was transferred to the Department of Agriculture.



The function of the RURAL ELECTRIFICATION ADMINISTRATION was not to help the development of rural electrification so much as it was to aid a favored competitor in this field of endeavor. Political preference became its primary tool. The activities were focused on using public monies to create tax exempt semi-private enterprises to compete with privately financed, heavily taxed, electrical producing and distributing companies.

Subsidies

Three billion tax dollars are involved in the financing of these tax exempt business ventures. In this activity a wide variety of unsound and uneconomic devices, in addition to tax exemption, have been employed. These extraordinary subsidies are described on page 64 of the **Hoover Task Force Report on Lending Agencies** as:

"1. The granting of the 5-year moratorium period without any charge for use of the funds represented by accumulated but unpaid interest.

"2. The 2 percent per annum (interest) is only a fraction of the appropriate interest for the type of credit risk. The current interest charges of the land banks for lesser risks are more than double this rate.

"3. No charge has been made for the administrative expense of REA which come now to about $7,500,000 a year."

Operations

The RURAL ELECTRIFICATION ADMINISTRATION operates on the apparent theory that taxes constitute an unbearable burden, at least for the particular groups the Administration wishes to rescue from this burden. REA has free access to the public credit provided by taxes, and this money is loaned to "cooperatives," which are tax exempt, at the established rate of 2 percent. The U. S. Treasury currently pays 3½ percent for the money it borrows. This constitutes an interest subsidy of 1½ percent.

The **Hoover Staff Force Report on Water Resources and Power,** page 325, reported that, after 20 years of operation, **"The rural cooperatives borrowing from the Rural Electrification Administration have an equity in their electric systems presently averaging 8 percent of the total new investment. The balance, 92 percent, is owed to the Federal Government. Thus the power plants and transmission lines being built by the cooperatives are indirectly built by the Federal Government."**

REA also provides business management service and group management service to co-op borrowers. This is discussed on page 586 of the

(over, please)

Hoover Staff Report on Water Resources, where it states: **"it is apparent that a substantial portion of supervisory expense is assumed by the Federal Government."**

No taxes! Half interest! Practically no investment! Free management service! Yet despite all these fabulous competitive advantages, page 48 of the **Comptroller General's Audit Report for 1954** asserts that **"approximately 25 percent of the electric distribution borrowers were faced with problems which may endanger loan collateral."**

The host of privileges enumerated does not insure cheap power to the consumer. The **Hoover Task Force Report on Water Resources and Power,** page 581, states: **"The average consumption (by co-op customers) is about the same as that of a residential consumer receiving service from a privately owned company while the average (co-op) rate is about 20 percent higher."**

Costs

The burden bourne by taxpayers to maintain the RURAL ELECTRIFICATION ADMINISTRATION program is enormous, but well concealed from public view.

The direct appropriation of tax funds to pay salaries and expenses for REA from 1935 to 1959 amounts to $127,827,315. As this does not get into the accounts of REA it must be considered a total loss to the taxpayer.

REA is not required to pay certain costs of operation chargeable to other governmental agencies, an item representing another $15,000,000 direct cost to the taxpayer.

There are various references in official documents to the effect that $60,000,000 of "relief appropriations" have been given to REA, but details are lacking.

Current borrowing from the U. S. Treasury exceeds $3 billion. Taxpayers pay 3½ percent interest on the money borrowed by the Treasury, but REA loans this money at 2 percent interest to tax exempt competitors of taxpaying enterprises. This 1½ percent differential in interest charges amounts to a direct subsidy to co-ops of $45,000,000 for the current year alone, and an estimated additional $100,000,000 for recent prior years.

Conclusion

Although the RURAL ELECTRIFICATION ADMINISTRATION makes it appear that their efforts alone brought electricity to rural areas, the facts do not sustain this view. Private power companies have generally done a better job in this field than the tax supported agencies, and have done it against overwhelming odds, such as the harassment from public power advocates, tremendous tax loads, restrictive legislation, and the prejudice against their access to power sources (such as Hell's Canyon and Niagara).

Abolition of REA would not handicap rural electrification but would actually improve every phase of it while reducing the tax burden of all Americans.

In fact, all the more than 700 federal corporate activities listed in **FACT SHEET No. 1** can be profitably eliminated, cutting the cost of government in half - **ENOUGH TO PERMIT REPEAL OF INDIVIDUAL INCOME TAXES** - under the terms of a **"Proposed 23rd Amendment"** pending in Congress as **H. J. Res. 355.** It provides that:

"Sec. 1—The Government of the United States shall not engage in any business, professional, commercial, financial or industrial enterprise except as specified in the Constitution."

"Sec. 4—Congress shall not levy taxes on personal incomes, inheritances and/or gifts."

Watch It Grow . . .

Direct losses to taxpayers identified in FACT SHEET to date:

Vol. 1. No. 2.	ABACA PRODUCTION AND SALES	$ 28,865,086
Vol. 1. No. 3.	CUBA NICKEL COMPANY	90,249,000
Vol. 1. No. 4.	ESKIMO DWELLINGS	1,580,000,000
Vol. 1. No. 5.	PASSAMAQUODDY—Since 1956 only	2,184,000
Vol. 1. No. 6.	RAMA ROAD	12,000,000
Vol. 1. No. 7.	TEXAS CITY TIN SMELTER	38,700,000
Vol. 1. No. 8.	SUGAR ACT PROGRAM—Lost in taxes	383,643,776
	Lost to cartel	1,544,400,000
Vol. 1. No. 9.	VIRGIN ISLANDS CORPORATION, 6 years only	13,236,457
Vol. 1. No. 10.	ALASKA RAILROAD to June 30, 1954	59,786,081
Vol. 1. No. 11.	TVA FERTILIZER PROGRAM	125,433,493
Vol. 1. No. 12.	FEDERAL CROP INSURANCE CORPORATION	203,324,731
Vol. 1. No. 13.	ISLAND TRADING COMPANY OF MICRONESIA and the TRUST TERRITORY (10 years)	50,000,000
Vol. 1, No. 14.	RECONSTRUCTION FINANCE CORP. (1948 only)	$10,048,931,299
Vol. 1. No. 15.	SMALL BUSINESS ADMINISTRATION	22,825,000
Vol. 1, No. 16.	MARITIME ADMINISTRATION	$ 4,204,410,934
	Losses Indicated in FACT SHEET to date	$18,407,989,857
Vol. 1, No. 17.	RURAL ELECTRIFICATION ADMINISTRATION	347,827,315
	Total thru this issue	$18,755,817,172

Watch for
SMALL DEFENSE PLANTS ADMINISTRATION
FACT SHEET, Vol. 1, No. 19

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1958

FOR RELEASE FEBRUARY 7th, 1958

Testimony of Willis E. Stone, President
The American Progress Foundation
725 North Western Avenue
Los Angeles 29, California
Before the House Ways and Means Committee
The Congress of the United States

For Presentation, February 7, 1958

Thank you, Mr. Chairman and the Members of the House Ways and Means Committee, for the opportunity to appear before you and register some well documented views on the troublesome subject of taxes.

To establish my identity, I am President of the American Progress Foundation and a Director of the Organization to Repeal Federal Income Taxes, both of which organizations have their offices at 725 North Western Avenue, Los Angeles 29, California. I am also National Secretary of "We, The People," and a Director of the Congress of Freedom.

My background is that of an industrial engineer. I have long been concerned, as every good citizen should be, with the apparent fact that taxes have been too low. This is evident because taxes have the valid function of paying the costs of government, but taxes have failed to achieve this purpose by an average $12 billion per year during these past 20 years, thus putting $240 billion on our national debt during these past two decades.

You gentlemen are caught in a most difficult dilemma. Demands for tax cuts are the most insistent in many years, and at the same time you are confronted with the most dramatic demand in history for more tax revenue. This accentuates the fact that spenders can spend more and faster than Congress can ever provide in taxes.

While it is apparent that taxes are too low, there is an alternate equation - that possibly the cost of government is too high. Many years ago I began to investigate this latter possibility - that costs are too high - with some rather startling results.

In seeking the most vulnerable area for cost reduction I was amazed at the quantity of federal corporate activities which exist without any pretense of constitutional authority, and the enormous volume of tax dollars they absorb each year.

I wish to submit these findings to you as they offer broad potentials for enormous reductions in both cost and taxes.

That the members of this Committee may appreciate the quantity of federal agencies involved in some corporate activities directly competitive with the private enterprises of our taxpayers, I hand you a copy of FACT SHEET #1, which lists more than 700 federal agencies so involved.

There have been thirteen issues of FACT SHEET since the first issue which contains the list. Each of these issues have dealt with the activities of one particular federal corporate activity. The direct losses identified in these reports thus far released are as follows:

Vol. 1. No. 2.	ABACA PRODUCTION AND SALES...	$ 28,865,086
Vol. 1. No. 3.	CUBA NICKEL COMPANY	90,249,000
Vol. 1. No. 4.	ESKIMO DWELLINGS	1,580,000,000
Vol. 1. No. 5.	PASSAMAQUODDY - Since 1956 only.	2,184,000
Vol. 1. No. 6.	RAMA ROAD	12,000,000
Vol. 1. No. 7.	TEXAS CITY TIN SMELTER	38,700,000
Vol. 1. No. 8.	SUGAR ACT PROGRAM - Lost in taxes	383,643,776
	Lost in cartel..	1,544,400,000
Vol. 1. No. 9.	VIRGIN ISLANDS CORPORATION, 6 years only.....	13,236,457
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Vol. 1. No. 13.	ISLAND TRADING COMPANY OF MICRONESIA and the TRUST TERRITORY (10 years).....	50,000,000
Vol. 1. No. 14.	RECONSTRUCTION FINANCE CORP. (1948 only).....	10,048,931,299
	LOSSES.....	$14,180,753,923

Many studies have been made of the methods through which the various federal agencies have been projected into activities in competition with the taxpaying citizens, but this is not germane to this hearing. Here we are involved with the existence of these activities and the potential savings in governmental costs which might be achieved by applying curbs to these new and alien practices.

A view of the manner and extent in which tax funds have been spent in recent years can provide an idea of the potential benefits available to all of us as such expenditures are abated.

Under the label of "foreign aid," the American taxpayers, who have never known military defeat, have been compelled, to pay more treasure into the coffers of foreign powers than all the vanquished people in history have been required to pay to their conquerors.

On the domestic scene, more than 700 federal corporate activities have been established. They absorb about half of our tax dollars and have already taken over 40 percent of the land area and 20 percent of the industrial capacity of the nation, riding the backs of the American people as interest free, rent free, cost free and tax free princes of privilege, competing with every American, be he producer or consumer.

To get some idea of the gigantic scale of the conquest of state and private lands already achieved by the empire builders, we can turn to the United States Government Organization Manual and find out what the agencies say for themselves.

On page 238 of the Manual for 1955-56, the Forest Service (which is in the Agricultural Department) declares that it "administers ... about 188,000,000 acres." This is an area equal to 8.1 percent of all the land and water area of the United States and all its territories and possessions.

On page 203 of the Manual for 1955-56, the Interior Department asserts: "The jurisdiction of the Department extends over the continental United States, to the islands of the Caribbean and South Pacific, and to lands in the Arctic Circle. It includes the custody of 750 million acres of land." This is an area equal to 32.3 percent of the total land and water area of the United States and all its territories and possessions.

Thus the land taken over by these two federal agencies alone equals the combined area of England, Ireland, Scotland, Wales, Portugal, Spain, France, Belgium, Holland, Luxemburg, Switzerland, Germany, Iceland, Denmark, Poland, Austria, Czechoslovakia, Hungary, Italy, Monaco, Albania, Greece, Yugoslavia, Rumania and Bulgaria.

These facts begin to give some pretty good ideas as to why our tax bills hurt so much. By correcting the spending here, we can find the solution of our tax problem. There is no other place where our efforts can yield such tremendous rewards. We must reduce these bureaucratic empires to a dollars and cents evaluation to learn the exact extent to which abolition of such practices can remove the burden of our tax load.

To rid ourselves of the federal corporate activities, an Amendment to the Constitution has been designed to repair the damage done. It is a proposal which has been introduced into Congress by Representative Ralph W. Gwinn (R) of New York. It has been approved by the State of Illinois. More than 6000 organizations have adopted resolutions of support for it. It is known as the "Proposed 23rd Amendment." It is pending in Congress as House Joint Resolution 123 and, with added provisions is also pending as HJR 355. Section 1 of both these resolutions provide:

> THE GOVERNMENT OF THE UNITED STATES SHALL NOT ENGAGE IN ANY BUSINESS, PROFESSIONAL, COMMERCIAL, FINANCIAL OR INDUSTRIAL ENTERPRISE EXCEPT AS SPECIFIED IN THE CONSTITUTION.

This amendment would stop the political gift of our tax dollars to foreign socialistic and communistic governments, leaving individuals to do this on a voluntary basis if they wish. By stopping this foreign aid, a tremendous saving to taxpayers would be possible, plus restoring the capacity of private enterprise to engage in foreign trade. In 1954 alone the "Foreign Grants and Credits" amounted to $4,669,000,000.

This amendment would cause the federal corporate activities to be sold back to the American people. It is estimated the land, buildings and facilities, even under forced sale, would bring better than fifty billion dollars, all of which should be applied to the national debt, particularly as Series E and F Bonds would probably be employed to buy those properties. By retiring $50 billion of the national debt in this way would reduce the taxes required to pay interest on it by $1,250,000,000 per year.

Also, the cost of amortizing that volume of the national debt would no longer exist and this amortization cost, on a forty year amortizing basis, would save the taxpayers $1,250,000,000 per year.

The average annual losses of the federal corporate activities during recent years has exceeded $10 billion per year. The sale of the federal corporations would eliminate these losses by eliminating their source, thus saving the taxpayers this amount of taxes every year.

Another important item is the fact that an estimated one million federal employees apparently do nothing in their official life except provide services without cost to the federal corporations. They are paid by the general fund, therefore their pay comes directly from taxes. With the federal corporate activities sold back to the American people, these employees will be more gainfully employed in private enterprise and one million pay envelopes will not have to be filled with our tax dollars. These one million pay envelopes, containing an average $4000 per year, will mean a saving to the taxpayers of $4 billion per year.

There is one more item. It is estimated, and conservatively so, that at least three dollars worth of goods, services and facilities are required to maintain every dollar of payroll. On this basis, the saving of $4 billion in payroll will mean a related saving of $12 billion in goods, services and facilities.

Now let's add up these savings possible by enacting the "Proposed 23rd Amendment."

The goods, services and facilities that can be saved.....	$12,000,000,000
The payroll that can be saved each year	4,000,000,000
The losses that will no longer require tax support.....	10,000,000,000
The interest saved	1,250,000,000
The amortization charge saved.....	1,250,000,000
Annual total	$28,500,000,000
Plus the savings resulting from stopping foreign aid	4,669,000,000
Means a total annual saving to taxpayers of	33,169,000,000
Compared with the total of individual income taxes collected	32,495,000,000
Indicates the federal government would have a surplus of .	$ 674,000,000

by repealing the individual income taxes (1954 level) at the same time the federal corporate activities are sold back to the American people from whom they were taken.

This gives a startling view of the enormous potential involved in this basic American approach. It offers the most dramatic solution to the tax problem ever contemplated. It not only would solve the problems of this Committee, it would solve a great many of the

problems of labor and capital, consumers and producers and certainly the problem of the taxpayers.

There is nothing extraordinary about any of this, for it contemplates only a return to the basic concept which we all regard as truly American. These rewards can be achieved on the very day we focus our concern about taxes on the task of restoring the private enterprise concept. On that very day we will also find that a veritable flood of new tax revenues will begin to flow into the federal treasury which will enable the government to steadily retire the national debt and cut taxes in other areas.

This is the way it works. The very day we restore private enterprise by removing political competition, every person in the nation will have more money to spend. Withholding taxes will stop, and each one of us knows exactly what that will mean to each of us personally. This will not depend on any change in the rate of pay. It only depends on getting the government back within constitutional limitations, getting bureaucrats out of competition with our businesses.

This means that every one of us will have an average of 15 to 20 percent more money to spend simply because we will have this amount of our earnings restored to us. This will be spendable money -- in exactly the amount we reported on our tax form 1040. Every one of us have some mighty good ideas of what we would do with this new income. To some of us it means new drapes or new furniture. To others it means a new automobile, or even an airplane. Others will be able to go into business for themselves, or buy new equipment. Even if we save this money, putting it into the bank, it will be available for loans so others may expand their business or satisfy some important need.

However it is used, this better than 15 percent new take-home pay will be spent for things, or services, or savings. Under any circumstance, there will be better than a 15 percent increase in business volume in our present community, and this added business will bear the same tax burden as present business volume. Thus, the federal government will receive 15 percent more from this source than it has in recent years. At the 1954 level, this would mean an increase of $3,231,900,000 each year from this source.

Similarly, the sale of the federal corporate activities would put about 20 percent more industrial and business capacity back on the tax rolls to share the burden, and this, at 1954 levels, would mean that this new source of revenue would yield to the federal treasury $4,309,200,000 per year.

The foregoing surplus we cited amounted to	$ 674,000,000
The 15 percent increase in business volume will yield	3,231,900,000
The 20 percent increase because of the new taxpayers	4,309,200,000
Means the surplus and new tax sources can yield a total of based on the 1954 experience.	$8,215,100,000
In 1954 the Federal government operated at a deficit of ...	$3,116,000,000
We can take care of that deficit and still leave the government	5,098,487,000
This is enough to permit the abolition of Gift and Estate taxes	935,000,000
and still leave the government, based on 1954 experience .	$4,163,487,000

that can be used every year to apply on the national debt, retiring it completely on this scale in much less than 50 years at the maximum.

This is a wonderful outlook, and it is all possible by getting government out of direct competition with its own citizens.

If this were the end of the equation there would be ample reason for us to take vigorous and immediate action on this question, but there is still more.

There is the item of collecting the individual income taxes. This amounts to about $200,000,000 every year, and that amount we would no longer be required to spend, so that could be applied to the national debt.

Then there is the item of postage, which amounts to an estimated $40,000,000 per year just to handle the flood of parcels, booklets and letters relating to collecting the individual income taxes. This appears as a deficit in the Postoffice Department and would no longer require deficiency appropriations of tax dollars, permitting that amount of money in our treasury to be used to apply on the national debt.

Then there is the item of printing the tax forms and all the auxiliary items that relate to collecting individual income taxes. This amounts to about $100,000,000 every year and appears as a deficit in the Government Printing Office which would no longer be requiring appropriations, and so could be applied to the national debt.

There is, in those three items, another $350,000,000 to help pay off the debt, stepping up the rate by which we can get back to solvency as a nation. All of this sounds mighty good, and every statistical fact proves that it is a valid claim.

It can be done by enactment of House Joint Resolution 123 or House Joint Resolution 355 and they are now pending in the Congress.

Instead of groaning under an inhuman load of individual income taxes, we could abolish and repeal the individual income tax laws.

Instead of operating the federal government at an annual average deficit of $12 billion dollars a year, as we have been during the last 20 years, we can pay off the national debt at the rate of nearly $5 billion a year while operating on a balanced budget.

Instead of the violent conflict between government and people regarding which shall own and operate the enterprises created by the people, we will have a government devoted to protecting our lives and properties.

Instead of government being the greatest pauper in history, it will be returned to a solvent position and will have the affection of the American people returned to it, and the affection of the citizens is the greatest asset any government can possibly possess.

But there is even more. Think of the time, the worry and the money each one of us have been spending to conform to the tax requirements. All this would be saved. So would the time, money and energy we spend in protective lobbying, special bookkeeping, reporting, accountants fees and any number of other costly impositions which now involve us. Then there is the savings that will result because it will no longer be necessary to ferret out, prosecute and incarcerate those who fail, for any reason to conform to the more than 400,000 words now in the individual income tax laws.

Every person in the land can think of an infinite variety of other benefits that will come to every one of us on the day we take the federal agencies out of competition with our individual business enterprise, thus stopping the waste of our tax dollars, letting us use our own earnings in our own way and at our own pleasure by applying the savings in Governmental cost to the individual income tax problem.

The analysis presented here deals only with the dollars and cents elements of the federal competition with private enterprise and the individual income tax laws. It does not take into consideration the advantages to every business when the threat of cost free, rent free, tax free, cut-throat competition is removed.

Neither does it take into consideration the wide variety of benefits to come from a people whose genius is not restrained by political straight-jackets of competition or the blight of impossible tax burdens.

This seems to add up to a wonderful vision of fabulous benefactions that stun the imagination, yet there is still one more highly important factor to be considered. When the federal corporate activities are sold back to the American people, tremendous amounts of property will go back on the local, county and state tax rolls. In some areas this will be an item of enormous importance.

In California, for example, the federal bureaucracy owns 48 percent of the land area of the State. Selling back the property held without constitutional authority would put about 40 percent more property on the tax rolls to share the burden with the present taxpayers. This will reduce the amount of taxes to be paid by each taxpayer tremendously.

In Nevada, the difference will be even greater as the federal corporations now own and operate 85 percent of that State. By returning these vast areas to the jurisdiction of the States in which they are naturally contained, means that the principle of States Rights will be reestablished and the Governor of such a State as Nevada, where he is currently Governor of only 15 percent of a State, will be governor of ALL the State, as was originally intended by the Constitution.

And the people of such a State as Nevada, will find that the burden of supporting an entire state, and the absentee landlords in Washington, will be a much simpler and a much less costly experience.

In each State, and in each City, and to each person, the situation differs. But in every instance, without exception, the transfer of these vast empires back to the American people, to be restored to the constitutional protection which the founding fathers originally intended for our individual enterprise system, means an infinite variety of benefactions beyond the power of human imagination -- just as the Constitution itself held advantages for us far beyond the dream of even those who gave it life.

Well, there it is -- a program of dollars and cents reality, built upon the hard facts of truth, supported with all the evidence required to prove its soundness, sustaining the tremendous financial advantage of restoring our private enterprise system, giving the business of producing, distributing and consuming the same constitutional protection we have always enjoyed in the fields which were more carefully stipulated. It all adds up to the simple equation that when we stop political competition with private enterprise, the tax problem will very largely be solved.

We will at the same time restore the sovereignty of the States, just as the Constitution intended.

It will restore international justice, confidence, honor and integrity.

It will reestablish the American theme of "equal justice under law," with government back at its right job of governing and regulating, protecting our lives and property.

It will constitute a great rebirth of liberty, making us free in fact when we are brave enough to face the issue and do the job, giving substance to the phrase, the land of the free and the home of the brave.

It will solve the most difficult of all our internal problems -- the strife between management and labor -- by restoring to labor the fruit of its toil, putting a greater net increase in the pay envelope of Americans than any politician or any labor leader ever dared to think about.

It staggers the imagination that so many great benefactions, to Government and people, can arise out of the simple element of restored economic justice and balance. Gentlemen: I recommend your careful consideration and searching investigation into these possibilities.

Respectfully submitted,

Willis E. Stone
President, American Progress Foundation
725 North Western Avenue
Los Angeles 29, California

(Not printed at Government expense)

Congressional Record

United States of America

PROCEEDINGS AND DEBATES OF THE 85th CONGRESS, SECOND SESSION

On Taxing and Spending

EXTENSION OF REMARKS

OF

HON. RALPH W. GWINN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 18, 1958

Mr. GWINN. Mr. Speaker, last session I introduced a proposed amendment to the Constitution—House Joint Resolution 355—designed to get the Federal Government out of business in competition with its citizens. It provides that the United States Government shall not engage in any business, professional, commercial, financial, or industrial enterprise except as specified in the Constitution.

If this language were adopted as an amendment to the Constitution, the savings from it would, it is claimed, make possible the repeal of the individual income tax. The claim may seem fantastic. But I can find no one in Government who can dispute it. Congress certainly cannot dispute it.

The details as to where these savings could be made are spelled out in the following testimony by Mr. Willis E. Stone before the Ways and Means Committee on February 7, 1958, as follows:

TESTIMONY OF WILLIS E. STONE BEFORE THE WAYS AND MEANS COMMITTEE, HOUSE OF REPRESENTATIVES, FOR PRESENTATION FEBRUARY 7, 1958

I am Willis E. Stone, president of the American Progress Foundation and a director of the Organization To Repeal Federal Income Taxes; address of both organizations, 725 North Western Avenue, Los Angeles. I am also national secretary of We, the People, and a director of the Congress of Freedom.

An industrial engineer, I have long been concerned, as every good citizen should be, with the apparent fact that taxes have been too low. This is evident because taxes have the valid function of paying the costs of government, but taxes have failed to achieve this purpose by an average $12 billion per year during these past 20 years, thus putting $240 billion on our national debt.

459393—65566

You gentlemen are caught in a most difficult dilemma. Demands for tax cuts are the most insistent in many years, and at the same time you are confronted with the most dramatic demand in history for more tax revenue. This accentuates the fact that spenders can spend more and faster than Congress can provide taxes.

While it is apparent that taxes are too low, there is an alternate equation—that the cost of government is too high. Many years ago I began to investigate this with some rather startling results.

In seeking the most promising area for cost reduction, I was amazed at the quantity of Federal corporate activities which exist without any pretense of constitutional authority, and the enormous volume of tax dollars they absorb each year.

That the members of this committee may appreciate the quantity of Federal agencies involved in corporate activities directly competitive with the private enterprises of taxpayers, you have been handed a copy of Fact Sheet No. 1, which lists more than 700 Federal agencies so involved.

There have been 13 issues of Fact Sheet since the first issue which contains the list. The direct losses identified in these reports thus far released are as follows:

Abaca Production and Sales	$28,865,086
Cuba Nickel Company	90,249,000
Eskimo Dwellings	1,580,000,000
Passamaquoddy, since 1956 only	2,184,000
Rama Road	12,000,000
Texas City Tin Smelter	38,700,000
Sugar Act Program:	
Lost in taxes	383,643,776
Lost in cartel	1,544,400,000
Virgin Islands Corporation, 6 years only	13,236,457
Alaska Railroad to June 30, 1954	59,786,081
TVA fertilizer program	125,433,493
Federal Crop Insurance Corporation	203,324,731
Island Trading Company of Micronesia and the Trust Territory (10 years)	50,000,000
Reconstruction Finance Corporation (1948 only)	10,048,931,299
Losses	14,180,753,923

Many studies have been made of the methods through which the various Federal agencies have been projected into activities in competition with the taxpaying citizens. Here we are involved in just a few examples in Government activities and the obvious savings in governmental waste and costs which may be achieved by stopping these enterprises.

A view of the manner and extent in which tax funds have been spent in recent years can provide an idea of the potential benefits available to all of us as such expenditures are abated.

Under the label of "foreign aid," the American taxpayers, who have never known military defeat, have been compelled by our politicians to pay more treasures into the coffers of foreign powers than all the vanquished people in history have been required to pay to their conquerors.

On the domestic scene, more than 700 Federal corporate enterprises have been established. They absorb about half of our tax dollars and have already taken over 40 percent of the land area and 20 percent of the industrial capacity of the Nation, riding the backs of the American people as interest free, rent free, cost free and tax free princes of privilege, competing with every American, be he producer or consumer.

To get some idea of the gigantic scale of the conquest of State and private lands already achieved by the Federal Government empire builders, we can turn to the United States Government Organization Manual and find out what the agencies say for themselves.

On page 238 of the manual for 1955–56, the Forest Service (which is in the Agricultural Department) declares that it "administers about 188,000,000 acres." This is an area equal to 8.1 percent of all the land and water area of the United States and all its Territories and possessions.

On page 203 of the Manual for 1955–56, the Interior Department asserts it has "custody of 750 million acres of land." This is an area equal to 32.3 percent of the total land and water area of the United States and all its Territories and possessions.

Thus the land taken over by these two Federal agencies alone equals the combined area of England, Scotland, Wales, Portugal, Spain, France, Belgium, Holland, Luxemburg, Switzerland, Germany, Iceland, Denmark, Poland, Austria, Czechoslovakia, Hungary,

Italy, Monaco, Albania, Greece, Yugoslavia, Rumania, and Bulgaria.

To rid ourselves of the Federal corporate activities, an amendment to the Constitution has been designed to repair the damage done. It is a proposal which has been introduced into Congress by Representative RALPH W. GWINN, Republican, of New York. It has been approved by the State of Illinois. More than 6,000 organizations have adopted resolutions of support for it. This proposed 23d amendment is pending in Congress as House Joint Resolution 123 and, with added provisions is also pending as House Joint Resolution 355. Section 1 of both resolutions provide: "The Government of the United States shall not engage in any business, professional, commercial, financial or industrial enterprise except as specified in the Constitution."

This amendment would stop the political gift of our tax dollars to foreign socialistic and communistic governments, leaving individuals to do this on a voluntary basis if they wish. By stopping this foreign aid, a tremendous saving to taxpayers would be possible. In 1954 alone the foreign grants and credits amounted to $4,669,000,000.

This amendment would cause the Federal corporate activities to be sold back to the American people. It is estimated that land, buildings and facilities, even under forced sale, would bring better than $50 billion, all of which should be applied to the national debt, particularly as series E and F Bonds would probably be employed to buy those properties. Retiring $50 billion of the national debt in this way would reduce the taxes required to pay interest on it by $1,250,000,000 per year.

Also, the cost of amortizing that volume of the national debt would no longer exist and this amortization cost, on a 40-year amortizing basis, would save the taxpayers $1,250,000,000 per year.

The average annual losses of the Federal corporate activities during recent years has exceeded $10 billion per year. The sale of the Federal corporations would eliminate these losses by eliminating their source, thus saving the taxpayers this amount of taxes every year.

Another important item is the fact that an estimated 1 million Federal employees apparently do nothing in their official life except provide services without cost to the Federal corporations. They are paid by the general fund, therefore their pay comes directly from taxes. With the Federal corporate activities sold back to private American enterprise, these employees would be more gainfully employed in such private enterprise. One million pay envelopes containing $4,000 per year average will not have to be filled with our tax dollars, thus saving the taxpayers $4 billion per year.

There is one more item. It is estimated that at least $3 worth of goods, services, and facilities are required to maintain every dollar of payroll. On this basis, the saving of $4 billion in payroll will mean a related savings of $12 billion in goods, services and facilities.

Now let's add up these savings possible by enacting the proposed 23d amendment:

	Million
The goods, services, and facilities that can be saved	$12,000
The payroll that can be saved each year	4,000
The losses that will no longer require tax support	10,000
The interest saved	1,250
The amortization charge saved	1,250
Annual total	28,500
Plus the savings resulting from stopping foreign aid	4,669
Means a total annual saving to taxpayers of	33,169
Compared with the total of individual income taxes collected	32,495
Indicates the Federal Government would have a surplus of	674

By repealing the individual income taxes (1954 level) at the same time the Federal corporate activities are sold back to the American people from whom they were taken.

This is one solution to the tax problem. It would not only solve the problems of this committee, it would solve a great many of the problems of labor and capital, consumers and producers and certainly the problem of the taxpayers.

There is nothing extraordinary about any of this, for it contemplates only a return to the basic concept which we all regard as truly American. These results can be achieved on the very day we focus our concern about taxes on the task of restoring the private enterprise concept. On that very day we will also find that a veritable flood of new tax revenues will begin to flow into the Federal Treasury which will enable the Government steadily to retire the national debt and cut taxes in other areas.

The day we restore private enterprise by removing political competition, every person in the Nation will have more money to spend. Withholding taxes will stop, and each one of us knows exactly what that will mean to each of us personally. This will not depend on any change in the rate of pay. It only depends on getting the Government back within constitutional limitations, getting bureaucrats out of competition with our businesses.

This means that every one of us will have an average of 15 to 20 percent more money to spend simply because we will have this amount of earnings restored to us. This will be spendable money—in exactly the amount we reported on our tax form 1040.

This better-than-15-percent new take-home pay will be spent for things, or services, or savings. There will be better than a 15-percent increase in business volume in our present business community, and this added business will bear the same tax burden as present business volume. Thus, the Federal Government will receive 15 percent more from this source than it has in recent years. At the 1954 level, this would mean an increase of $3,231,900,000 each year from this source.

Similarly, the sale of the Federal corporate activities would put about 20 percent more industrial and business capacity back on the tax rolls to share the burden, and this, at 1954 levels, would mean that this new source of revenue would yield to the Federal Treasury $4,309,200,000 per year.

The foregoing surplus we cited amounted to	$674,000,000
The 15 percent increase in business volume will yield	3,231,900,000
The 20 percent increase because of the new taxpayers	4,309,200,000
Means the surplus and new tax sources can yield a total based on the 1954 experience	8,215,100,000
In 1954 the Federal Government operated at a deficit of	3,116,000,000
We can take care of that deficit and still leave the Government	5,098,487,000
This is enough to permit the abolition of gift and estate taxes	935,000,000
And still leave the Government, based on 1954 experience	4,163,487,000

That can be used every year to apply on the national debt, retiring it completely on this scale in much less than 50 years at the maximum.

Then there is the item of collecting the individual income taxes. This amounts to about $200 million every year, and that amount we would no longer be required to spend, so that could be applied to the national debt.

Then there is the item of postage, which amounts to an estimated $40 million per year just to handle the flood of parcels, booklets, and letters relating to collecting the individual income taxes which could be saved.

Then there is the item of printing the tax forms and all the auxiliary items that relate to collecting individual income taxes. This amounts to about $100 million every year.

There is, in those three items, another $340 million to help pay off the debt, stepping up the rate by which we can get back to solvency as a Nation. All this can be achieved by the enactment of House Joint Resolution 123 or House Joint Resolution 355 as now pending in Congress.

Instead of groaning under an inhuman load of individual income taxes, we could abolish and repeal the individual income tax laws.

Instead of operating the Federal Government at an annual average deficit of $12 billion a year, as we have been doing

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the last 20 years, we can pay off the national debt at the rate of nearly $5 billion a year while operating on a balanced budget.

Instead of the violent conflict between Government and people regarding which shall own and operate the enterprises created by the people, we will have a government devoted to protecting our lives and properties.

Instead of Government being the greatest pauper in history, it will be returned to a solvent position and will have the affection of the American people returned to it, and the affection of the citizens is the greatest asset any government can possibly possess.

Think of the time, the worry and the money each one of us have been spending to conform to the tax requirements. All this would be saved. So would the time, money, and energy we spend in protective lobbying, special bookkeeping, reporting, accountants' fees, and any number of other costly impositions which now involve us. Then there is the savings that will result because it will no longer be necessary to ferret out, prosecute, and incarcerate those who fail, for any reason, to conform to the more than 400,000 words now in the individual income tax laws.

Every person in the land can think of an infinite variety of other benefits that will come to every one of us on the day we take the Federal agencies out of competition with our individual business enterprise, thus stopping the waste of our tax dollars, letting us use our own earnings in our own way and at our own pleasure by applying the savings in governmental costs to the individual income tax problem.

The analysis presented here deals only with the dollars-and-cents elements of the Federal competition with private enterprise and the individual income-tax laws. It does not take into consideration the advantages to every business when the threat of cost-free, rent-free, tax-free, cutthroat competition is removed.

Neither does it take into consideration the wide variety of benefits to come from a people whose genius is not restrained by political straightjackets of competition or the blight of impossible tax burdens.

When the Federal corporate activities are sold back to the American people, tremendous amounts of property will go back on the local, county and State tax rolls. In some areas this will be an item of enormous importance.

In California, for example, Federal agencies own 48 percent of the land area of the State. Selling back the property held without constitutional authority would put about 40 percent more property on the tax rolls to share the burden with the present taxpayers. This will reduce the amount of taxes to be paid by each taxpayer tremendously.

In Nevada, the difference will be even greater as the Federal agencies own and operate 85 percent of that State. By returning these vast areas to the jurisdiction of the States in which they are naturally contained, means that the principle of States' rights will be reestablished and the Governor of such a State as Nevada, where he is currently Governor of only 15 percent of a State, will be Governor of all the State, as was originally intended by the Constitution.

In each State, and in each city, and to each person, the situation differs. But in every instance, without exception, the transfer of these vast empires back to the American people, to be restored to the constitutional protection which the Founding Fathers originally intended for our individual enterprise system, means an infinite variety of benefactions beyond the power of human imagination—just as the Constitution itself held advantages for us far beyond the dream of even those who gave it life.

It adds up to the simple equation that when we stop political competition with private enterprise, the tax problem will very largely be solved.

We will at the same time restore the sovereignty of the States, just as the Constitution intended.

It will restore international justice, confidence, honor, and integrity.

It will reestablish the American theme of "equal justice under law," with government back at its right job of governing and regulating, protecting our lives and property.

It will constitute a great rebirth of liberty, making us free in fact when we are brave enough to face the issue and do the job, giving substance to the phrase, the land of the free and the home of the brave.

It will solve the most difficult of all our internal problems—the strife between management and labor—by restoring to labor the fruit of its toil, putting a greater net increase in the pay envelope of Americans than any politician or any labor leader ever dared to think about.

It staggers the imagination that so many great benefactions, to Government and people, can arise out of the simple element of restored economic justice and balance. Gentlemen, I recommend your careful consideration and searching investigation into these possibilities.

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Business Political Action

EXTENSION OF REMARKS

OF

HON. RALPH W. GWINN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 13, 1958

Mr. GWINN. Mr. Speaker, a former president of the National Association of Manufacturers came into my office the other day with a well-thought-out plan for amending the Taft-Hartley Act. He had already written the President. He was surprised and rather hurt when I told him his proposal had no chance of passing Congress.

He seemed not to know what has been going on here in Washington for years in the shift from constitutional government to a labor-socialist government. He wanted so desperately to hold on to faith in the Government as he visualized it, or in the President's ability to solve their problems, that he disliked to hear the truth. It made him uncomfortable.

So I wrote him a letter, in substance like the one which follows. I sent this letter around to a few other businessmen and to my astonishment I find evidence that they are being very poorly informed by their Washington organizations, their lobbies and professionals here.

So this is my first letter, telling the truth as I see it:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C.

DEAR SIR: I have your letter recommending legislation to restore law and order in labor-management relations.

Since there isn't a ghost of a chance that such legislation will be passed, I want to tell you why it won't be, and then what businessmen could do about it.

First, you should know that labor—or rather the top officials of organized labor—dominate Congress; over 175 Members of the House have benefited from union contributions, free campaign help, radio, TV time, advertising, extensive publicity in the labor press, scores of voluntary workers furnished by the unions, doorbell ringers, telephone brigades, and all the rest of it. Business organizations do none of this. Business as such is unorganized politically and therefore impotent.

In the House Committee on Education and Labor, all the Democrats, with 2 or 3 exceptions, favor repeal of the Taft-Hartley Act; some of the Republicans would not support many of the changes business has recommended.

That's how much Congress has changed since 1947. Union leaders get men elected who agree with them and thereby force government into improper activities. On the other hand business is not organized politically to restore and maintain the legitimate functions of government.

But that's not the whole story. Countless smaller groups organized to get theirs from government, depend on labor's political activities for their success, because union political power is solidly behind every Socialist program ever enacted or enlarged by Congress. Donald R. Richberg, in his Labor Union Monopoly, states: "* * * labor's economic monopoly and political power are preparing the way for communism far more

effectively than the Communists themselves."

The trouble in Congress is not that we don't know what legislation is needed. We don't have the votes to get it passed. That should be obvious to anyone who knows anything about Washington, but business as a whole either does not know the facts or else refuses to face them.

What can be done?

Right now in each congressional district a half dozen men in each party are deciding who shall run for Congress. An equal number of the leading businessmen—if they really represented business—in each district, could exert a strong influence on this selection and who gets elected. At present business is so indifferent and so uninformed that few businessmen even know that the next Congress is now being selected. As a result, unqualified men, with antibusiness principles, will be elected to get special favors for the special groups who put them in office.

Why do businessmen spend their time and money trying to sell their ideas to Members of Congress already committed or pledged against them?

For example, what sense does it make for those who want a sound tax program to do nothing to elect sound Congressmen, and then spend millions to try and sell that tax program to a labor-socialist-dominated Congress?

The horse is already stolen—the lock, the barn door, and the barn too, for that matter.

If the businessmen of America won't see to it that men are elected committed to restoring constitutional government and law and order in labor-management relations, who else will?

Business already has thousands of organizations at all levels of society that should have been doing this job. They are the only ones having adequate organizations. They avoid politics. If these organizations continue to rely on resolutions (as to what somebody else should do), "educational programs," publicity, going through the motions of lobbying, conventions, Washington representations of all sorts, letterwriting campaigns to the few remaining Members of Congress who agree with them, or to the many Members of Congress who never agree, we might as well resign ourselves to living under a labor government for a long time.

If only a small portion of the money now being spent by and for the many thousands of business and industrial organizations could be spent precisely as the unions spend theirs, in preparing and distributing political action material and political know-how, we might see the dawning of a new day. Business organizations must stop looking for excuses to stay out of politics. Organized labor is subject to the exact same restrictions against political activity as business, yet look what they have done in building a most effective political machine in less than 10 years.

How many businessmen know exactly how their present Congressmen vote? How many know their Congressman's name? Labor knows exactly and sees to it that their members know.

We cannot rely on political parties to stop labor's political power. The parties feel compelled to court that power. Right now labor can muster more votes than either political party on labor and socialist issues. Labor spends little time in educating the public or in talking to itself. It saws wood and elects Senators and Congressmen whose presence in the Congress makes impossible legislation to restore law and order in labor-management relations or to even think of repealing any part of the expanding socialism of the Federal Government. This administration is spending more to expand it than Roosevelt or Truman did.

It's up to you and others who think as you do to get to work in your congressional district now.

Sincerely yours,

RALPH W. GWINN,
Member of Congress.

P. S.: I would be interested in your comments, and in knowing of any action that may result from this letter.

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Mr. G. D. Hall,
102 Gainsborough St.,
Boston 15, Mass.

Dear Mr. Hall:

Thanks for your interest in the work of the Foundation in support of the "Proposed 23rd Amendment. The copy of American Progress magazine you requested has been sent to you under separate cover.

Attached are several items relating to the progress of our efforts. H. J. Res. 355 shows how the proposed amendment is now pending in Congress. Unfortunately we are certain that, under the Chairmanship of Emanuel Celler, the Judiciary Committee will NOT hold hearings on this subject this session, so we have a big job of making it the main issue so hearings will be held next year.

Massachusetts should be in the forefront of States to adopt a Resolution requiring Congress to submit the issue to the people of the States for ratification or call a Constitutional Convention for that purpose. Hope you will take an active leadership in making this the principle order of business for the next session of your State Legislature. A sample Resolution is enclosed.

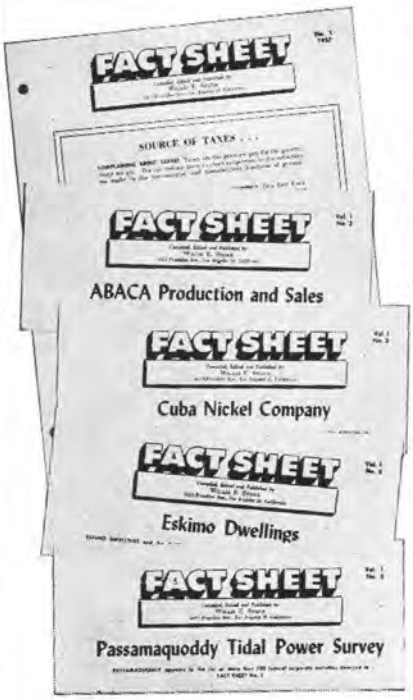
FACT SHEET #1 lists more than 700 federal corporate activities which are the basis of computation upon which the testimony was given to the House Ways & Means Committee contained in the attached Congressional Record reprint ON TAXING AND SPENDING. A leter issue of FACT SHEET illustrates the way in which this series deals with one activity at a time. Hope you will subscribe for yourself, and stimulate others to do likewise. A form is attached.

Our general piece showing how we can ABOLISH THE TAX AND THE FOR is also enclosed giving a "dozen viewpoints". We hope you will join us and participate in this crusade.

Sincerely,

Willis E. Stone
President

THE AMERICAN PROGRESS FOUNDATION, in co-operation with the ORGANIZATION TO REPEAL FEDERAL INCOME TAXES, INC., supports the adoption of H.J. RES. 355, which provides that: "Sec. 1.—The Government of the United States not engage in any business, professional, commercial, financial or industrial enterprise except as specified in the Constitution. Sec. 4.—Three years after the ratification of this amendment the sixteenth article of amendments to the Constitution of the United States shall stand repealed and thereafter Congress shall not levy taxes on personal incomes, estates, and/or gifts."



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Compiled, Edited and Published by
WILLIS E. STONE
6413 *Franklin Avenue, P. O. Box* 2948, *Los Angeles* 28, *California*

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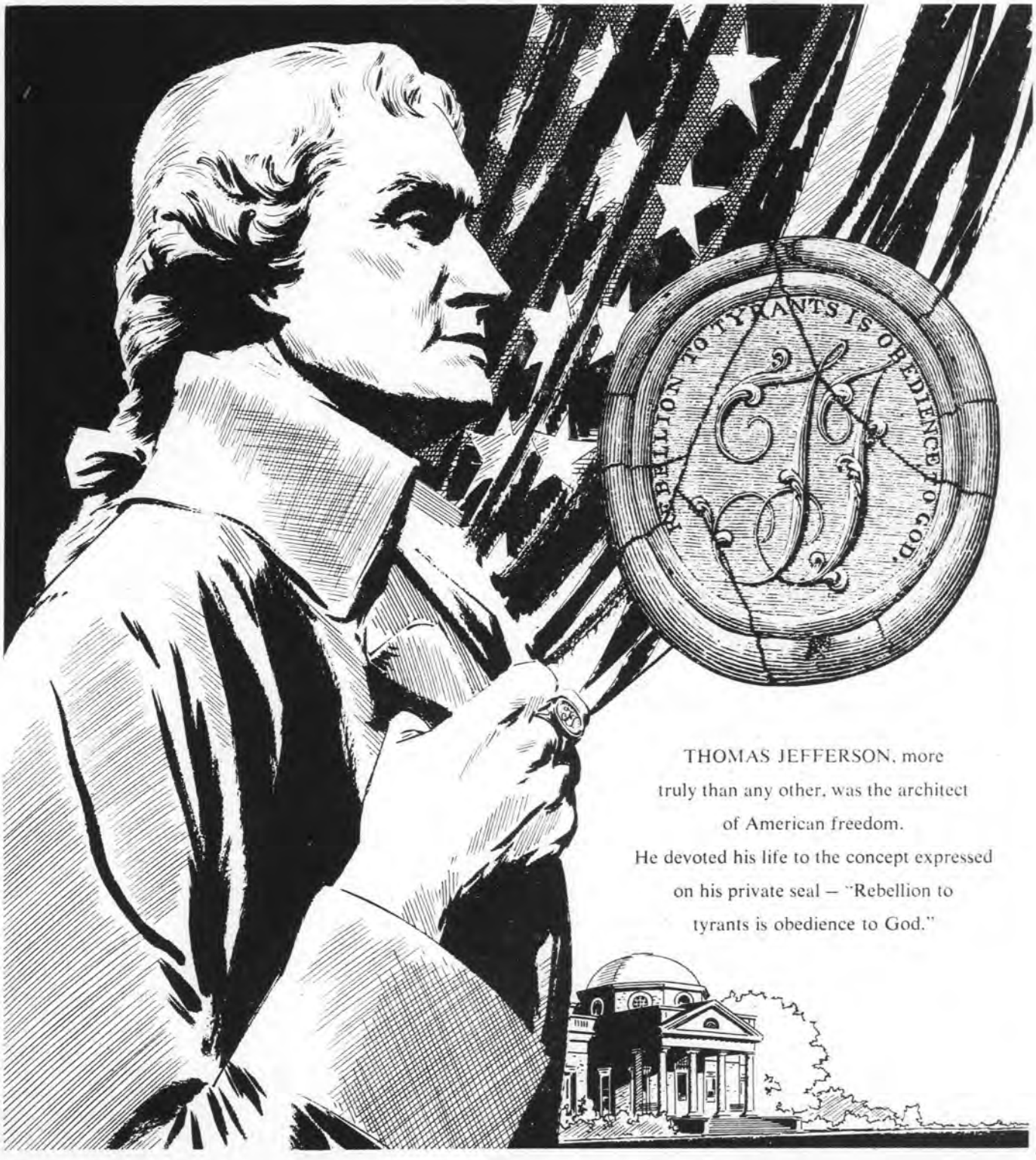
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SAVE AUTO BATTERY MONEY WITH BATTERY AD-X2*

BATTERY ADDITIVE AD-X2 REDUCES SULFATION —major cause of battery failures. Gives new life to old, mechanically sound batteries—doubles, triples life of new batteries. In powder form, packaged for quick treatment of 6 and 12 volt auto batteries, just pour into battery cells. **Laboratory and field tested, only battery additive to withstand intensive U. S. Government investigation.** Send check or M. O. today



SPARKMAN HAILS AD-X2 DECISION

Senator John Sparkman, chairman of the Senate Small Business Committee, hailed the decision of a Federal Trade Commission Hearing Examiner in dismissing the charges of false advertising against battery additive AD-X2, a chemical compound designed to prolong the life of mechanically sound automobile and other storage batteries. AD-X2 is produced and marketed by Jess M. Ritchie, president of Pioneers, Inc., of Oakland, California.

"This action is a spectacular triumph for all small businessmen," Senator Sparkman stated, "in their fight to achieve equal treatment with big business at the hand of Government agencies."

In noting that the Senate Small Business Committee had held extensive public hearings on the national controversy involving the merits of AD-X2 in spring of 1953, Senator Sparkman said: "This vindication of AD-X2 by the Federal Trade Commission, coupled with its earlier clearance of fraud charges by the Post Office Department, should lead to prompt modifications in the policies of the National Bureau of Standards of condemning products marketed by small business men solely on the basis of mere laboratory data without proper weight being given to how the products perform in actual use."

Senator Sparkman added that all Federal agencies with regulatory powers over small business should profit from the lesson implied in the AD-X2 case. "From now on," he stated, "there will be little excuse for any Government bureau unwittingly becoming the agent of industrial interests bent on harassing their smaller competitors."—*Oakland Tribune.*

NO BATTERY IS AS GOOD WITHOUT AD-X2 AS IT IS WITH AD-X2:

"Plant superintendents, shop foremen, master mechanics, chief electricians . . . No other case has so large a volume of substantial and reliable user testimony."

Examiner
The Federal Trade Commission

"IT WORKS"—
SECRETARY OF COMMERCE

"The company with which I was formerly associated (United-Carr Fastener Corp.) had a $1450 battery, which was about to fail. We tried AD-X2 on a when-as-and-if basis. It worked. After at least 12 months it's still working . . ."

Sinclair Weeks, *Secretary of Commerce*

NEW BATTERIES FOR OLD IN 104 POLICE RADIO CARS:

"Even though the batteries were not new when treated, we have observed the life expectancy was extended from 12 to 18 months beyond normal. In police radio cars batteries are given hard usage: long periods of idling, constant use of radio, heater, defroster."

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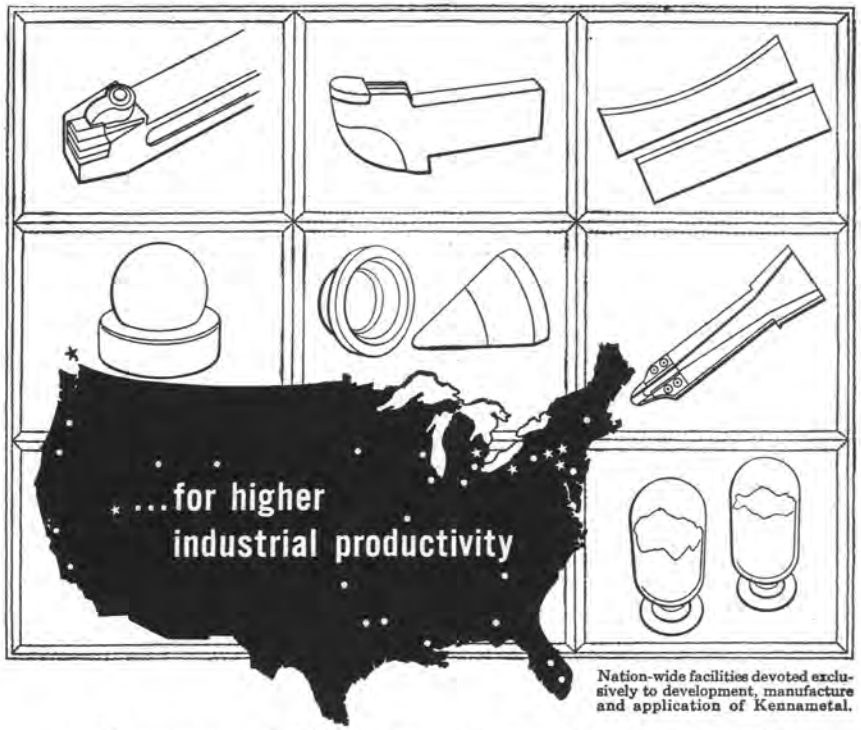
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"Rebellion to Tyrants is Obedience to God" . . .

This motto was the guiding characteristic of Thomas Jefferson's life and it is illustrated on the cover by the eminent artist, Cornelius Peet. The legend touches every American, for it was the dominating force in the rebellion against the tyranny of George III and the guiding principle written into the Constitution and the Bill of Rights.

When we review the activities of the 700 federal corporate entities listed on pages 27 through 34, we recognize the tyranny under this present bureaucracy which prompted the rebellion under the British Crown. Had we kept the moral and constitutional law inviolate, we would not now be involved with the enormous struggle to recapture economic liberty and tax equity.

A recent editorial in the Dallas (Tex.) *News* concisely presents this viewpoint as to needs for concerted action:

> What would become the 23d Amendment to the Constitution is proposed for support by the state legislatures:
>
> *"The Government of the United States shall not engage in any business, professional, commercial, financial or industrial enterprise except as specified in the Constitution."*
>
> The sweep of that amendment would shake the country from the Pentagon to the Soil Conservation Service on Dishrag Creek. Alphabet agencies would fold like an accordion underneath a collapsed skyscraper. Terrified bureaucrats would come squeaking out of holes unheard of even by the appropriations committees.
>
> But the amendment is superfluous. All that is necessary is a Congress, President and Supreme Court actually bound by the oath to obey the Tenth Amendment as an integral part of the Constitution as it is right now. That is the amendment, you know, which says that if the power isn't in the Constitution as a federal power, the United States doesn't have it.
>
> If an oath at Washington were really an oath, that would be all. Government would be out of business as of yesterday, once and for all.

Unfortunately, bureaucracy will not willingly give up its ill-gotten empires, so the American Progress Foundation, 6413 Franklin Ave., Los Angeles 28, Calif., and the Organization to Repeal Federal Income Taxes, 3757 Wilshire Blvd., Los Angeles 5, Calif., closely cooperate to create public understanding of two proposed constitutional amendments which hold equal importance with the original *Bill of Rights*.

These are now pending in Congress. H. J. Res. 123 would outlaw the communal practice of government competing with its own citizens in production and distribution of goods and services. It will cut the costs of government so that H. J. Res. 232 can repeal federal income taxes, restoring full earning power to the American people to the actual financial benefit of the federal government.

What would be a more glorious feeling than to know that the full paycheck could be used for the benefit of the individual who earns it? What business organization would not benefit by being able to spend all its productive time without having to file cumbersome forms, while federal corporations reap the benefit of subsidized accounting, tax-free operation?

Support these two fine proposals—H. J. Res. 123 and H. J. Res. 232. This is the American Way to get a necessary job done right away.

One of the greatest barriers to the accumulation of capital is high taxes. In turn, high taxes are a result of the public demand for more and more government services. Farmers have been as guilty as other folks in their demands for the subsidies and protection that big government offers.—Charles B. Shuman, president of the American Farm Bureau Federation.

The tax bite on earnings is only the annual story of what government seems to be costing. Behind it lies a debt so large today that every baby is born owing the government $1,939 before he lets out his first howl. If he is a member of a family of four, his papa will represent a government debt of $7,738.—Sam M. Jones in *National Review*.

If more money is left in the hands of the people, then more money will go into investment and into the channels of trade—and that in itself will serve to bring about a sound national economy.

The Government's Timber Business

By Leo V. Bodine



Our country is blessed with an abundance of forest land, aggregating about one third of its continental area. Of this, some 484 million acres are considered commercial, that suitable now or prospectively for timber production. And of this area, about 100 million acres are owned or operated by the federal government primarily for the production of timber. In addition, the government owns and operates 35 to 40 million acres of woodland which it does not classify as commercial.

Most of the commercial forest land owned by the federal government is located in eleven western states, where it owns 60 per cent of the productive land bearing forests.

In the states east of the Mississippi River the proportion of the total commercial forest acreage owned by the federal government is relatively small. Even so, the acreage in the aggregate is substantial. Here most of the land has been acquired by direct purchase and included in new areas set aside as national forests or purchase units.

The government owns a greater proportion of the standing timber in the 48 states than it does of forest land. On commercial forest lands the total volume of saw timber in all ownership was reported in 1953 to be about 1968 billion board feet. Of this about 41 per cent is owned outright by the federal government. Much of this is in virgin forests now over-ripe, highly susceptible to insects and disease, and in which there is little or no net volume growth.

To the extent that our forests are owned by the federal government and to the extent such resources influence the means of production, we are to that extent socialized in the field of forest production. A strong element of competition is found in extensive federal operation of forest lands with those private operators who own forest lands and are managing them for forest production. In such enterprise the government has the great advantage of not being required to meet payrolls, taxes and other costs of production from receipts. Government timber is offered on the open market in competition with private timber. In periods when prices are low the private producer of timber may have to fight valiantly with the government for a diminishing market.

The government monopoly ownership of more than 41 per cent of the nation's saw timber gives rise to complete dependence of many private sawmill operators on the government agents who are responsible for its sale. As fair as these agents may try to be, there nevertheless arise endless problems of "who gets what, when and where?", of complicated contract forms, tenures of operation, legal red tape, road rights-of-way, cutting requirements, volume determination, appeals from decisions, and a host of other pressures on the private operator inherent and seemingly unavoidable in government administration. The government is now selling over $100,000,000 worth of timber annually.

The control of large and valuable raw material resources by a government agency provides that agency with an over-riding control of those dependent upon such raw materials. Granted that the government agency, imbued with a strong concept of fairness, will earnestly attempt to do right by all its customers, there will still exist an undesirable power to affect favorably or unfavorably the dependent enterprise.

It is generally conceded that any private enterprise in possession of its raw materials has an advantage over a competitor who is dependent upon others for his raw materials. The most stable companies in our industry are those which own sufficient forest land resources to sustain their operations. The denial of ownership of forest land to others, where it would find higher use in private hands than in government ownership represents injury to both the would-be owner and the nation's economy.

Local governments are in large part independent for revenue upon the ad valorem property tax. However, when a local taxing jurisdiction has little property to tax it finds itself in financial difficulties. This has been the situation in many counties and school districts where a large proportion of the total land area is in federal ownership. Payments are usually made as a percentage of receipts to the taxing jurisdictions by the federal government. Ordinarily, these payments are substantially less over the years than would be the case if the lands were in private tax-paying ownership.

Government ownership of commercial timber lands involves many problems, not the least of which is that of community stability. Large volumes of government timber are still unavailable and so contribute nothing to the stabilization of industries or to the permanency of communities. On the other hand, private forest enterprise when based on land ownership can plan far into the future for permanence of operation and optimum beneficial use of resources and thus provide for community stability.

We should remind ourselves that private ownership pays taxes; that it encourages better utilization of raw material, research and product development than government ownership is able to do; that it makes possible a long life expectancy for manufacturing plants with attendant community stability and benefit to payrolls. Too, private ownership gears forestry to economics in a fashion untrue of government ownership and few will argue that it does not function more efficiently. Private ownership also receives a stimulant from a force not operative in government. It is "hope for profit", the power of which is evident here in strength of country and in standards of living. And, perhaps most of all, the consideration should be firmly borne in mind that land ownership needs to be a fluid and flexible thing which shapes to the economy rather than shapes the economy.

To members of the lumber industry, the increasing ownership of timberlands by government has become a major problem. Actually, it is more than simply our industry's problem. It is a national problem, but because the issue over the long term is whether or not private enterprise in the production of tree crops is to endure, it can reasonably be argued that our industry has primary responsibility in the research for a solution.

How Do You Operate on an Aggravation?



By Dwight Claar, Sr.

It can never be argued that the federal government has any right, moral or constitutional to use federal funds for the purpose of undermining or buying our sovereign states rights. These rights are the very heart of our system of government. The centralization of power in Washington through the control of our money by the use of the 16th Amendment destroys the basic theory upon which our country was founded.

Remember this, without the consent of the several sovereign states there would have been no United States of America, and because our founding fathers knew by bitter experience that human freedom is lost under kingdoms, monarchies and democracies, these sovereign states founded a Constitutional Republic.

Since our great nation was founded on a basic structure so sound that in over 126 years all the power and sly scheming of foreign intrigue could not invade it, cunning traitors have sought and found a way. They knew that great masses of people can be so inflamed about *"what they are against"*, that they overlook *"what they are for."*. That is the technique that has created the aggravation of a planned confusion, which is the very "core" of the plan to change our form and principle of government.

We all know what an aggravation is, because at some time in our lives we have been aggravated—by something. We, the people, have at long last reached the point in our personal finances where we, as individuals are getting very aggravated by the income tax.

Some years ago the California Supreme Court, ruled on the case of an individual employed by one of Southern California's largest industrial plants, while the employer was not responsible for the man's rupture, they WERE responsible for the aggravation. The doctor, who was the medical director of this industrial enterprise asked the meeting, "How do you operate on an 'aggravation'?"

That is the question of the utmost importance today. For you, or the doctor to find an answer to any problem, you must first get to the root, or cause, of the trouble. THAT IS BASIC, so it stands to reason that anyone who, for any reason, wanted to keep you from correcting an evil or a disease would use every means within their power to attract your attention in some other direction, thereby setting up an aggravation.

With sly cunning the 47,000 public relations men on the public payroll have developed a technique for this, and through a planned campaign of confusion, false labels and the use of vast amounts of the people's money, they have in the last 25 years set up a centralized government completely unmindful of the individual taxpaying citizen.

We have lost our way as a nation. The other day a little girl, who had lost her way said, "If I can find the church, I can find my way home." We, as a nation, will remain lost until we are forced to return to the basic thinking of our founding fathers, who founded this great country on two things (1) a belief in God, and (2) a limited government based on law. That is all very simple, and so very vulnerable to aggravation.

My objection to the 16th Amendment is neither political nor economic. It is MORAL! The internal revolution that began at the turn of the century by the atheistic progressive educational system and the atheistic progressive income tax, placed itself above morality and it allowed no one to make a distinction between the right and the wrong of its plans. The 16th Amendment has created a confusion akin to chaos through the aggravation of special privileges and rates high enough to be close to confiscation. I believe the 16th Amendment is immoral, un-American and opposed to the intent and meaning of our Constitution, because it completely reverses our form of government by centralizing all power in Washington. Until December 23, 1913, America prospered like no other nation in history. It was debt free. It was free of threats and crises. With the unconstitutional Federal Reserve Bank Act put across by International Bankers, planned wars, debts and trouble multiplied.

We are now in the last stages of this vast betrayal, since the prying eyes of the tax collector now make you a "second-class" subject to Washington. The remaining one piece of business for the internationalist who wants to reduce our country to a subject state of a great one world government, is to hush the "rantings" of the older people who can still remember back beyond 1913 and the destruction of our states rights.

There are men and women yet alive who remember WHY this is a great nation, and they have finally arrived at a state of mind where they are determined to get the crushing annual burden of the federal income tax completely off their backs.

Because you have been made to think that Washington needs all of this money or you have been sold on the idea that a complete national collapse would occur if our national government were suddenly deprived of this money, allow me to point out that, not only does Washington have no right to this money, but the Hoover Commission and other reports show that Washington does not need this money.

For that reason the Honorable Clare E. Hoffman, Michigan's great patriot, has introduced House Joint Resolution 232 TO REPEAL the 16th Amendment. Congressman Hoffman, like millions of other loyal men and women, knows that the 16th Amendment is a cancer in our Constitution, and that, like any disease, is foreign to our body politic.

The 16th Amendment is the root of our national disease, everything else is merely an aggravation. The basic reason we continue to keep ourselves in a national stupor is that we drum up enough courage to vote for a change, but fail to demand it! Our national course continues to be run by the same men, who continue to make the same mistakes whether the administration be Democratic or Republican.

One of the main differences between our American form of Republic, and other forms of government, is the freedom of every man and woman to use our system of private enterprise, to make a working team of investment, labor, and man-

Turn to page forty-one, please

What About This Civil Right?



By John T. Flynn

Our noble rulers in Congress have become gravely disturbed about something called our civil rights. These could be included under that well-known phrase "the right to life, liberty and the pursuit of happiness." Millions of once free Americans have been making out and "cussing" their income tax returns. All this paper, ink and profanity will be used to comply with a new theory of government. For 125 years the accepted theory was that the citizen worked to earn a living and the government was there to protect him in that right. But now we have a new theory —namely that the government has acquired a new power, the power to tax not merely to pay the proper costs of government, but to take over the job of spending our earnings on all sorts of things the politicians think are good for us.

For a century and a quarter, the citizen possessed, under his right to the pursuit of hapipness, the great civil right to spend his own money. But today, take the case of the man who earns $5,000 a year—in 50-cent dollars at that. His income tax will be about $800. Your grasping Uncle Sam will use about $100 of that to pay the legitimate expenses of the federal government. The remaining $700 will be taken by the government to spend on all sorts of things in America, Europe, Asia and Africa—on any purpose which may seem desirable to the politicians in the House, Senate and White House in Washington.

Any citizen has enough education to know that government is established not for the purpose of creating national income but only for the purpose of guarding the fundamental rights of the people. There are, of course, certain services which the citizen requires and which cannot be adequately performed by private industry or private organizations. For instance, there is no urofit in providing and operating schools, roads, courts, jails, parks, protection against disease, together with certain assistance which must be supplied, in humanity, to the poor, the sick, and the unfortunate lower percentage of our people. There must be courts, prisons and certain services to guarantee the order and well-being of the community. All these services are rendered by the states and the cities and other local bodies. You might tramp the roads for days without ever discovering any necessary services provided by the federal government.

Now here are some figures which may astonish you. Take, for instance, the little State of Rhode Island. The people of that state pay all the bills for almost all of the services they get from government as defined above. For this the expenditures in Rhode Island by the state and all its local units were about 165 million dollars. But the federal government, which provided almost nothing, took 275 million dollars in taxes from the people of Rhode Island. In New York, all the many services performed by the state, cities, towns, villages and counties cost about five billion. But the federal government took in taxes from the people of New York State over 13 billion dollars.

The President is talking energetically about the federal government building schools in the states. Where does he suppose he is going to get the money for this purpose? It will come right out of Alabama, Virginia, New York, Texas and other states, but it will not go back to those states in anything like the amounts taken from them. Millions will be used to cultivate the "love" of countries all over the world.

This grave abuse of the taxing power may be measured by some very simple figures—big figures, of course, but easily understood. Back in 1938, after the spendthrift President Roosevelt had been in the White House for seven years, income taxes taken from individuals amounted to one billion dollars. The income taxes for the current years are estimated to be 38 BILLION DOLLARS. The estimate for next year—unless there is some sort of revolt—is 41 BILLION DOLLARS. Of course this does not include corporation taxes which run to fabulous billions.

In the meantime, we are confronted almost daily with plans to spend more fabulous billions in Europe, and, of all places, the Middle East. I would be interested to have pointed out to me any provision in our Constitution which authorizes the President to take taxes out of my pay envelope and send the money to Iraq, Pakistan, Turkey or any other country in the world. And it may be in order to remind the American taxpayer that after all the armies and billions we have sent over the world, after all the American sodliers we have sacrificed in battle, it is the Soviet Union which now has possession of two-thirds of the land mass of Europe and almost all of Asia.

STEP AFTER STEP

The *News*, of Alice, Texas, highspots one of the fundamental problems of this age in a brief paragraph: "Every new service and realm of activity that the government takes over costs us more and pushes us one step closer to socialism and the end of freedom as we know it today. We have already lost much of the freedom that our grandfathers knew. We will lose more if we don't stop the growth and avarice of our government agencies at once."

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A Splendid Pattern

By George Peck

In my mail recently came a beautifully-executed parchment, carrying a message based on the resolutions adopted at the 35th Annual Meeting of the American Farm Bureau Federation, held in December of 1953. There was no clue as to the identity of the sender, making it impossible for me to make grateful acknowledgment. It is my hope that he or she will read this column in one of the newspapers in which it will appear and thus learn that the document was received and read with both interest and approval.

The resolutions as set forth on this parchment so completely parallel my own conception of "The American Way," that I could not resist the urge to pass them on to the readers of this column. The parchment reads as follows:

I BELIEVE

in the American competitive enterprise system.

that man's search for progress should be encouraged by maintenance of opportunity, not hindered by illusions of security.

that a person should be rewarded in accordance with his productive contribution to society.

that every man is entitled to own property, earn money honestly, save, invest and spend as he chooses.

that property rights cannot be taken away without infringing on rights guaranteed by the Constitution.

that the Constitution is the basic law of the land, and that its interpretation should be in accordance with the intent of its authors.

that government should operate impartially in the interest of all.

that government's regulatory functions should be based on law.

that government should provide only minimum controls and aids.

that government should stimulate not discourage, individual initiative.

that propagandizing by government is dangerous to the maintenance of self-government.

that monopoly, whether by government, industry, labor or agriculture, is dangerous.

that voluntary cooperation is a part of the American system.

that all candidates for public office should state their beliefs with respect to Communism, Socialism and Capitalism.

* * *

Isn't that a splendid statement of basic Americanism, the kind of Americanism for which the Founding Fathers fought and died? Isn't it a restatement, couched in 20th Century language, of the *splendid pattern* they laid down for a new nation in drawing up that great document—the Constitution?

Well, once again, the American Farm Bureau Federation, and all other organizations that are opposed to "centralized government" and bureaucratic meddling with our orderly economic system, need to warn the American citizenry that its well-being is in jeopardy. President Eisenhower has warned that if capital and labor do not bestir themselves to halt the march of inflation, he will be forced to ask Congress for wage controls, price controls, rationing, etc., etc.

Isn't that a nauseating prospect? It is especially loathsome because the major villain contributing to the inflationary spiral is government itself—capital and labor are minor contributors thereto. If the President feels that capital and labor should exercise restraint, one is lead to wonder why he doesn't set them an example by lopping off a few billions of dollars from the inflationary budget he recently presented to the Congress for fiscal 1958. The billions included therein for foreign aid, schools, roads, power plants, subsidies, etc., etc., could for the most part be cut considerably, even in some cases eliminated entirely.

Further, if he were to suggest to the Congress that it lower taxes, such action by Congress would have a salutary effect by bringing about lower commodity prices.

Let's put the blame for the rising cost of living where it rightfully belongs—right on the doorsteps of the White House and our two Houses of Congress. Cut that budget and inflation will be halted in its tracks!



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Why Pay Union Dues?



By Maurice R. Franks

Some thirteen years ago, when I was National Business Agent of the Railroad Yardmasters of North America, Inc., an editorial of mine was carried in its official organ, *The Railroad Workers Journal*, entitled, "Why Pay Union Dues?" Having just reread this editorial, I find that what was written in 1944, is just as applicable to the situation today, if not more so. Therefore, it is being passed on to the readers of this column. From here on the editorial is quoted as it appeared in *The Railroad Workers Journal*, with no alterations, additions or deletions:

The working man has fought a hard battle for the right to collective bargaining. A hard battle does not overestimate his part when we turn back just a few pages of labor history There was a time, not so many years ago, when many workers belonging to unions were fearful that their employers would learn of their affiliations and discharge them.

Men have not only been willing to fight for this American right, but gladly paid good hard earned money in the form of initiation fees, dues and assessments further to guarantee this right against those who would destroy this working man's prerogative. The pages of labor history disclose many instances where workers were jailed because they refused to work on terms beneficial only to employers; terms that gave little humane consideration to workers. They either accepted the employers' terms or suffered the consequence of rejection, which was either destitution or jail. These are not exaggerated statements, but are facts which can be verified in any legitimate publication covering labor history.

Many labor leaders today, knowingly or not,through their actions are confessing to the world that they have not made a study of labor history. Their handling of labor problems definitely proves this assertion. In making their demands on employers for better wages and working conditions for their members, whether their demands be just or unjust, they invariably manipulate negotiations in such a manner as to create a national emergency, thereby placing industries under government operation or management. Now, under this arrangement, we all know that it is *illegal* for workers to strike against their government, whether their demands be just or unjust, *war or no war.*

It is no secret that we do have many individuals connected with the operation of our government who do not believe in *Free Enterprise.* They welcome every opportunity of taking over industries, especially vital industries. They advantageously use the alarm of emergency to speed their socialistic objective. Therefore, every time a labor leader throws his grievances at the feet of these socialistic bureaucrats, *who have nothing themselves and are willing to share it with everyone else,* he is just adding speed to a vehicle running wild and which, if not placed under control, will end up in a terrible wreck—the wreck of unionism in these United States. Without the right to strike, labor has lost its only effective weapon against unjust employers whether they be private or governmental employers.

Sure, these "starry eyed boys" who are promoting *Social Enterprise* will accede to any demands made by the unions or anyone else, if these demands shorten their mileage on the road to confiscation of *Free Enterprise.* And why shouldn't they? They have nothing invested in private industry and nothing invested in unions. It should stand out as an object lesson to every union leader that if these "something for nothing boys" do not hesitate in wrecking industries to gain their own objectives, they also will not hesitate in wrecking unions to make still further gains.

It is not ridiculous to say that if gullible unionists, and there are many of them, are led to believe that through governmental control of industry their demands for better working conditions, shorter hours and bigger pay will be granted by merely asking for them, they can also be sold another fake "bill of goods" which will mean the absoluate ruin of unionism. This "bill of goods" will be to the effect that since workers can get all of their concessions through governmental decree without the help of unions—then, *why pay unions dues?*

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Who Cares?



Alfred P. Haake

By Alfred P. Haake

An article one column wide and exactly one and five-eighths inches long, up in a corner of page 16 of our principal daily paper in this area, tells the story of per capita taxes and income for the United States. The story is about YOUR money.

One would think that the fact that the total federal, state and local taxes for the country during the past year, came to $608 per person, for the entire population, and that the total spent by those governments came to $695 per person, would be so important and interesting that the editor would spread it under a startling headline on page one of his paper.

But, no! The figures came from the Tax Foundation, a capable and respected organization which publishes its findings periodically, very important findings. But, perhaps it is not what people want to read, and certainly not what leaders want the people to be worrying about right now—so the editor shoves the little notice back into an obscure portion of his paper under the vague heading, "$608 Per Person."

I doubt whether one reader in a hundred will read the article to learn that our several governments, principally the federal government, are spending more money than they have to spend. That is bad private financing and, believe it or not, it is bad public financing.

Where does the money for the excess $87 per person spending come from? Well, it could come from inflation, just printing more money, with no security behind it, as has been done with billions of dollars already in circulation, and with constantly rising prices as a result.

It could come from borrowing, or from using up already accumulated surpluses, "living on our fat," as the expression goes.

But, whatever the reasons that explain the distorted relationship between income and outgo, the result is bad. We are increasing our public debt, which right now stands at about $1,939 per person for the entire country. We strengthen a wicked philosophy which leads people to believe that we can prosper and be permanently better off by letting government go more and more deeply into debt, and then turn the debt into money.

Most of the ills that plague us, fiscally and in other ways as well, which grow out of controls and steadily increasing power of the federal government, could be stopped! The welfare state could be stopped, and most, if not all, of the corruption which men find in government, such gentle pastimes as were rife in the days of Harry Truman, could be stopped.

The most important single step toward sound management of government fiscal affairs, to hold government within its proper, sensible and constitutional limits, is to require government, anywhere and everywhere, to LIVE ON ITS INCOME.

The warning so lightly brushed aside by the indifferent editor, is that we must somehow either increase the $608 taxes per person, or reduce the $695 spending per person, so that the income exceeds the outgo. The best course, naturally, is to reduce the taxes, and teach government to do its full job on less income.

The power to tax is still the power to destroy. One of the most serious threats against our national life and freedom is the fact that the federal government has practically unlimited power to tax. That must be stopped. The people must be given back the strings which control their own purse. The size of the bite which government makes into individual incomes as well as corporate, must be reduced to mere man-size from the present mammoth maws which engulf our national substance. More money must be made available for providing the means to produce still more goods, through private savings from income.

In the meantime, articles like this, or the publishing of figures as released by the Tax Foundation, are of no avail, unless you, the public, care enough to tell your representatives to take their hands out of your pockets and stop spending your money so lavishly. I wonder who cares!

The nation's drugstores fill about $1,000,000,0000 worth of prescriptions a year (besides the sandwiches and malteds they dispense!)

BOOKS

THE FORGOTTEN NINTH AMENDMENT—By Bennett B. Patterson, Published by the Bobbs-Merrill Company, Inc., Indianapolis, Indiana. Price $5.00. Reviewed by Willis E. Stone, President, American Progress Foundation, Los Angeles.

Probably the most important single clause in our Constitution, and certainly the least understood, is the NINTH AMENDMENT. It is of primary importance because by its very wording, it specifically reserves to each individual all the fundamental and inherent natural rights of the individual.

The Ninth Amendment declares in a single brief sentence that (1) the individual, and *not* the Government, is the source of all power and the basic of our social compact, and that the sovereignty does now, and continues to reside in the individual; (2) that Government exists through the surrender by the individual of a portion of his natural and inherent rights; (3) that every person in this country owns all the residue of individual rights and liberties which have not been constitutionally delegated to Government (but which still apparently require recognition and protection); and (4) that the liberty and rights of each individual are inherent — they are NOT derived as grants from Government but are the property of the individual by God-given endowment.

In *The Forgotten Ninth Amendment* the author explains how the legal declaration, in the organic law of our nation, is the supreme power of the individual and is a declaration of profound but forgotten importance which can be found in no other part of the Constitution, nor in the organic law of any other nation on earth.

This book provides solid knowledge concerning the principles of our Constitution for every freedom loving American.

It is the common fate of the indolent to see their rights become a prey to the active. The condition upon which God hath given liberty to men is eternal vigilance.—*John Philpot Curran.*

Finding a way to live a simple life is today's most complicated job.

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1957

FACT SHEET

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WILLIS E. STONE
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SOURCE OF TAXES . . .

COMPLAINING ABOUT TAXES? Taxes are the price we pay for the government we get. We can reduce taxes in exact proportion to the reduction we make in the non-essential and unauthorized functions of government.

WHAT UNAUTHORIZED FUNCTIONS OF GOVERNMENT? This first FACT SHEET contains the list of more than 700 federal corporate activities which exist without any pretense of constitutional authority. They have taken over 40 percent of the land area and 20 percent of the industrial capacity of the nation. To pay their losses and hidden costs they consume, directly and indirectly, more than one-half the total income of government.

THESE BUREAUCRATIC EMPIRES grow at such a pace that our staff and facilities have been unable to maintain a full record of their activities, but we believe the information sources shown qualify each for listing herein.

THIS LIST OF UNAUTHORIZED ACTIVITIES is essential information if we are to effectively instruct our elected Federal and State Representatives in ways and means of cutting costs of government so that we may obtain Constitutional reduction in taxes and a return to basic Americanism.

SUBSEQUENT ISSUES OF FACT SHEETS will present the origin and history of various federal corporations, and a review of their activities. These documents will prove powerful implements in the hands of people determined to regain their economic liberty and rid themselves of inhuman tax burdens.

Knowledge is Power!

FACT SHEET RESEARCH SERVICE

The information contained in this first issue of FACT SHEET is an index to all future issues of FACT SHEET. Each succeeding issue will treat specifically upon one or more of the indexed Federal Corporate Activities, giving its history, its record of competition with Free Enterprise, its costs of operation—*costs which come from the taxpayer's pocket*—and its bureaucratic geneaology.

Subscribers to FACT SHEET may, by special request, obtain a concise statistical and reportorial service on any Federal Corporate Activity listed herein, specially prepared for their specific purpose. Nominal professional research fees are charged for this service. Information may be obtained by writing WILLIS E. STONE, *Publisher*, FACT SHEET, P. O. Box 2948, Hollywood 28, California.

A Comprehensive Index to

The Federal Government's Corporate Activities

in Aggressive, Non-Taxable Competition with Privately-Owned, Tax-Paying Enterprises

Business, Professional, Commercial, Financial or Industrial Enterprise activities of the Federal Government, dealing in whole or in part, as agent or principal, in the regulation, supervision, ownership or control of:

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International Cartels
Assumption of managerial and policy control of private enterprise
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Manufacturing
Production
Distribution
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Insurance
Transportation
Warehousing
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Ex-Import Bank—18th Semi-annual Report to the Congress, Jan.-June 1954
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TSP—Surplus Property
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Eight Year Battle to Defeat Bureaucrats

By MARY D. CAIN
Editor, Summitt, Miss., *Sun*

The *Sun* editor loves a fighter. It was the fighters who gave us America and it will be fighters who will save it . . . people who are not satisfied with anything short of freedom; people who feel that principle is all-important and no price is too high to pay for protection of it.

Such a man, apparently, is Jess M. Ritchie, president of Pioneers, Inc., 2411 Grove St., Oakland 12, California. And if this seems in the nature of free advertising for that company, it is no more than it deserves because they have been grievously wronged by the one agency whose duty it is to protect every American citizen against abuse: the federal government.



JESS M. RITCHIE

Mr. Ritchie's troubles with Uncle Sam began in 1948. His firm was producing a battery additive called AD-X-2 which can be added to the fluid of lead acid batteries, prolonging the life of the battery two or three times. Naturally, this didn't set too well with the battery manufacturers, whose turn-over is pretty enormous. They lost a lot of business as the product became better and better known. One estimate placed the monthly savings of industrial and automobile owners at $30 million on battery maintenance and replacements.

In 1948, the National Bureau of Standards stated that in their opinion the additive had no "significant beneficial effect" on lead acid batteries. The post office department, acting on the basis of the Bureau of Standards findings, issued a "fraud" order which would have denied use of the mails to Ritchie's firm. And that's where Mr. Ritchie's manhood asserted itself. As feature writer Harry Kursh put it, "Ritchie is a rare individual; he fought back with everything at his command. By nature he is a fighter; a man who is principled and believes there is no higher use for money and assets than to fight for one's principles."

At any rate, despite the loss of business which this unfavorable report cost him, ("We are seven years older and a half million dollars poorer," he says), he fought on to victory in May this year when that triumph was best expressed in the staff report to the Small Business Committee of the U. S. Senate, headed by Sen. Sparkman of Alabama. That report follows:

BATTERY AD-X2 TRIUMPHED OVER THE BUREAU OF STANDARDS AND THE BATTERY INDUSTRY. By a 4-to-0 decision, the Federal Trade Commission upheld the decision of a hearing examiner and dismissed the Commission's charges of false advertising against the battery additive and Jess M. Ritchie, president of Pioneers, Inc., the small business which manufacturers the anti-sulfation preparation.

The Commission issued its complaint against Pioneers, Inc., on March 11, 1954, following extensive public hearings held by the Senate Small Business Committee in an effort to direct attention to the efforts to remove AD-X2 from the market. Testimony before the Committee revealed that it was at the insistence of battery manufacturers that the Bureau of Standards first tested the additive and then departed from its policy by publishing a direct attack on the worth of the product by brand name. In its decision, the FTC held that "the allegations of the complaint were not sustained by the greater weight of the evidence." In summary, the Commission ruled that the extensive practical success with the actual use of AD-X2 by many well-managed industrial companies with a dollar-and-cents interest in extending the life expectance of their batteries carried greater weight than the laboratory theories of the Bureau of Standards.

In commenting on his eight-year struggle with the battery industry, the Bureau of Standards, the Post Office Department, and the Federal Trade Commission for the finally won right to sell his product, Jess M. Ritchie stated: "I will not consider time, money and energy wasted if my gruelling experience will cause government agencies and big business to think twice before again trying to gang up on a small-business man."

We salute you, Jess Ritchie, as a real American! May your tribe increase!



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Conquest by Bureaucracy



By Willis E. Stone

Saipan, Truk, Yap, Guam. These names, once so prominent in the news, are now recalled as battlegrounds where the cause of freedom triumphed.

To our American bureaucrats, however, these Pacific Islands have become a symbol of their greatest victory—a complete economic tyranny.

Article 75 of the Charter of the United Nations gave the United States the former Japanese Mandated Islands as "Trust Territory". Under the direction of Secretary of the Navy, a High Commissioner of the Trust Territory was established, and given total power. The Commissioner, by no other authority than his own "proclamation", created the ISLAND TRADING COMPANY OF MICRONESIA to dominate the economic destiny of the island people.

The Congress was not informed. No effort to obtain direct appropriations of tax funds for this enterprise was made. Instead, the Navy Department subsidized the ISLAND TRADING COMPANY OF MICRONESIA with tax dollars which hau been appropriated for other purposes.

The Hoover Commission's Staff Study on Business Enterprises states "the Corporation's charter authorizes it to buy and sell trade-goods, to operate trade facilities in the trusteeship area, to purchase the products manufactured by the natives, to establish stores and warehouses and to borrow money. It has perpetuity and tax exempt."

The purpose of the ISLAND TRADING COMPANY OF MICRONESIA, cited on page two of the 1954 Audit Report of the organization, was "to promote the economic advancement and self-sufficiency of the inhabitants of the Trust Territory."

The company nullified this asserted purpose by "stabilizing" the price of copra far below the world market, monopolizing all production and marketing "to prevent large profits accruing to private firms." A tax, called a "contribution", of 10 percent was levied by the company on all copra exported, thus further reducing the "economic advancement and self-sufficiency of the inhabitants."

Congress became concerned over these high-handed activities. In 1952 jurisdiction over the ISLAND TRADING COMPANY OF MICRONESIA was transferred from the Navy to the Interior Department, with liquidation of the company ordered for December, 1953.

Bureaucrats, however, are skillful in the art of evading the will of the Congress and of the people. The High Commissioner of the Trust Territory created a new Stabilization Board authorized (pages 12 and 13, Audit Report) "to buy, collect, market, sell, export, and deal generally in all copra raised, produced, or processed within the Trust Territory, fix all prices to be paid to producers or sellers." The Audit Report summarizes it thus—"The principal functions of the Trading Company related to copra purchasing and marketing were thus transferred to the Board; however, the trading Company continued to perform these functions as an agent."

Congress delayed final abolition of the ISLAND TRADING COMPANY OF MICRONESIA until December 31, 1954, but then it was the agent that died—not the tyrant. There has been no liberation for the Island people because, as the Hoover Commission Staff Study on Business Enterprises points out, on page 51, "the actual trading of copra with the natives will not be done by a private trading company but will be done by the Stabilization Board."

The unhappy fate of these Island people under the economic tyranny of the ISLAND TRADING COMPANY OF MICRONESIA and the STABILIZATION BOARD provides a preview of our own destiny if the assumptions of power by bureaucratic empire builders go unchecked.

The surest way to control this menace is to outlaw its existence. You can help by asking your Congressman to support the "Proposed 23rd Amendment" now pending in Congress as H. J. Res. 123. It provides that:

The Government of the United States shall not engage in any business, professional, commercial, financial or industrial enterprise except as specified in the Constitution.

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FACTS ARE WEAPONS

- HAVE YOU wondered why our Soldiers, returning from Communist prison camps, have said the Communists know more about us than we know about ourselves?
- HAVE YOU ever considered the idea that the reason bureaucrats have been able to build their empires at our expense is because we have known too little about FREEDOM and how to defend it?

ON THE OTHER SIDE

- HAVE YOU realized that Congress and the Administration are now taking some cuts at the budget only because the American people have been armed with a few basic truths?
- HAVE YOU the desire to help develop and distribute more and more facts—the Real Weapon of Truth—to regain economic freedom and stop individual income taxes?

We can regain economic freedom under the terms of H. J. Res. 123, which provides:

"THE GOVERNMENT OF THE UNITED STATES SHALL NOT ENGAGE IN ANY BUSINESS, PROFESSIONAL, COMMERCIAL, FINANCIAL OF INDUSTRIAL ENTERPRISE EXCEPT AS SPECIFIED IN THE CONSTITUTION."

We can stop paying individual income taxes under H. J. Res. 232, which provides:

"AFTER FIVE YEARS FROM THE RATIFICATION OF THIS ARTICLE, THE SIXTEENTH ARTICLE OF AMENDMENT TO THE CONSTITUTION OF THE UNITED STATES IS REPEALED, AND THEREAFTER THE CONGRESS SHALL NOT HAVE THE POWER TO LAY AND COLLECT TAXES ON INCOMES DERIVED FROM ANY SOURCE."

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Willis E. Stone

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Friends:

Directors and Members of the American Progress Foundation are pleased that the research we have performed is the basis upon which the present tax rebellion has developed, and continues to grow.

For the most part it has been drudgery, digging out the facts of how our tax dollars have been spent, and showing the bureaucratic conquest of the properties and enterprises of the American people. We have illustrated how the restoration of our private enterprise system will so slash the costs of government that there will be no need for individual income taxes.

There is much less heat than usual, but infinitely more light, behind the present demands for stopping governmental waste and cutting taxes. The findings of our Foundation research programs have made the difference, and accomplished a more receptive attitude toward tax reduction by the Congress and the Administration.

At the moment there is a great show of trimming the budget. Actually this is but a pacifier, and ignores the basic issue. It does, however, indicate the capacity of the American people to compel their Representatives to submit to their valid demands. The 16th Amendment must be repealed under the terms of H. J. Res. 232. Governments socialistic competition with the private enterprises of its own citizens must be outlawed under the terms of H. J. Res. 123.

It should be noted again and again that these two proposals are inseparable parts of the same thing—the one stops the tax burden and the other stops the spending of taxes.

Events have progressed well, and the facts we have submitted to the American people have proved most effective. We are, however, keenly aware that we have not yet come to grips with the real test for power—to decide whether people, or the bureaucrats, shall rule. There is still an enormous amount of documentation and research to be done before the contest reaches consummation.

The list of federal corporate activities appearing for the first time in the pages of this publication indicates the value of our work, the size of the job ahead, and the importance of your cooperation. We invite you to add your strength and support to this essenial task of spelling out the terms of our freedom in the Constitution, so that present dangers to our institutions of liberty can be permanently eliminated.

Sincerely,

Willis E. Stone

Willis E. Stone, President, American Progress Foundation.

A Letter from
the President of . . .

Organization To Repeal Federal Income Taxes, Inc.

Chartered in Washington, D. C. 1953
3757 Wilshire Blvd. Los Angeles 5, Calif.



D. B. Lewis

My Dear Fellow Americans:

The fight for outright repeal of the 16th Amendment is more than a fight about money. It is also a fight to preserve freedom.

The moment you allow a bureaucrat to confuse this issue, another of your God-given freedoms is in jeopardy. Our fight is to return to the basic principles upon which this nation was founded, and establish once more the fundamentals of local State sovereignty—the only way an individual can retain power of self-government and self-determination.

Allow me to stress this point—your freedom and mine was critically damaged in 1913 when the Moscow-inspired progressive income tax was adopted as the 16th Amendment. It had been craftily peddled to the American people as a way to "soak the rich", a claim we now know to have been false.

We will never again be free until this cancer is removed from our Constitution. No person can be free who is compelled to give elected or appointed public servants a first mortgage on the individual's earnings. Our Representatives should protect the basic rights of the individual, and the organic law upon which Freedom rests.

The ORGANIZATION to REPEAL FEDERAL INCOME TAXES was founded in 1953 for the single purpose of giving you and every freedom loving American an instrument of defense against the encroachment of the income tax.

Four years of intensive effort by ORFIT has made Repeal of the 16th Amendment the primary issue. Several State Legislatures are considering ways and means of taking action on this question. Now Congressman Clare E. Hoffman of Michigan has introduced H. J. Res. 232 providing for repeal of the 16th Amendment. At this moment every possible effort should be brought to bear upon Congressman Emanual Cellars, Chairman of the House Judiciary Committee, Washington, D. C. to call hearings on H. J. Res. 232.

Surely YOU will want to be one of us. Your help, your prayers, and your money, are all very much needed at this time.

Sincerely yours,

D B Lewis

D. B. LEWIS, President

DBL-DC

OUR FATHER

Those two words have always had a terrific impact upon children and upon peoples, throughout all known history . . .

The American people had a Founding Father. A very wise and understanding Father. One need only to read his "Farewell Address" to understand why he is called "The Father of His Country" and "the noblest figure that ever stood in the forefront of a nation's life". If you are interested, at this time, in regaining the freedom that our founding fathers gave to us you will get and read George Washington's "Farewell Address", placing your main attention to his warning about . . . "exalting of the leader".

Our American Constitution was established on sound principles which were created to preserve for you, your freedom, your property, and your children's welfare; and a mere one hundred and fifty years has been unable to produce anything to replace this charter of personal liberty, established by George Washington and our founding fathers. Nor has time and an over-abundance of so-called "thinkers" succeeded in thinking-up a better mode of conduct than Moses outlined in the Ten Commandments.

This is a taxpayers' revolt!! Nation-wide, and it started with the flood of mail that descended upon our elected representatives in Washington when the Hon. Clare E. Hoffman, of Michigan, introduced House Joint Resolution 232—to Repeal the 16th Amendment. You can help by starting to agitate your own State Legislatures to pass a resolution memorializing the Congress of the United States to **ACT—NOW**—on H. J. Res. 232. It is your last remaining hope for Freedom!!

These Officers of

ORGANIZATION TO REPEAL FEDERAL INCOME TAXES Inc.

D. B. LEWIS, President — PAUL K. MORGENTHALER, Vice-Pres. & Gen. Mgr. — DWIGHT CLAAR, SR., National Secretary

are dedicated to the task of returning to the thinking of our founding fathers, and the establishment, once again, of the rights of each person and each state, the very basis of our constitution.

YOU CAN HELP IN THIS FIGHT TO REPEAL THE 16th AMENDMENT TO OUR CONSTITUTION

ORGANIZATION TO REPEAL FEDERAL INCOME TAXES Inc.

Chartered in Washington D. C., 1953

Executive Headquarters:
3757 Wilshire Blvd,
Los Angeles 5, Calif.

Date_____

Please enroll me as a member of the Organization to Repeal Federal Income Taxs, Inc., which is a non-profit, non-partisan organization.

My contribution to help speed repeal of the 16th Amendment $_____

I also pledge a monthly contribution for two years in order to get this repeal on the baliot $_____

I will make talks on this subject to service clubs and other groups if ORFIT supplies the speeches and literature Yes_____ No_____

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FREEDOM SCHOOL OPENS

The main building of the Freedom School at Colorado Springs, Colo., is rapidly nearing completion. The idea of such a school was the brain-child of Robert LeFevre, editor of the *Gazette Telegram* of Colorado Springs and its first lecture discourse is scheduled to begin June 3.

LeFevre, president of the school, announces that six lecturers will lead discussions at the school which is located near Palmer Lake. The open lecture periods will be held on June 9 and 23, July 7 and 21 and Aug. 4 and 18. These lectures will be open to the public, but space is limited and persons interested in attending the sessions should contact officials of the school prior to the date of attendance. Reservations have already been made for students from 12 states who plan to attend the Freedom School.

The group of lecturers includes Frank Chodorov, editor and author. Among Chodorov's books "The Income Tax: Root of All Evil" is the hand-book for tax reformers who seek to repeal the 16th Amendment.

Fred G. Clark of New York City is Chairman of the American Economic Foundation. A former oil company executive and president of an insurance firm, Clark has had radio program, has written syndicated newspaper features and books.

James L. Doenges, Anderson, Ind., surgeon, is an outstanding speaker on government control of medicine, legislation, health insurance and the socio-economic aspect of medical practice. He served as president of the Association of American Physicians and Surgeons.

Percy L. Greaves Jr. of New York City is an economic adviser for the Christian Freedom Foundation. He was active in the advertising and public relations field and has written a column for the "Christian Economics" publication and has penned a number of books.

Economist Floyd Arthur Harper of Irvington-on-Hudson, N.Y., is associated with the Foundation for Economic Education. The author of several books on economics, he has also contributed to "Essays on Liberty" and to various professional journals and reviews.

Leonard E. Read of Irvington-on-Hudson, N. Y., is president of the Foundation for Economic Education. A former U. S. Chamber of Commerce official, Read has also held the post of executive vice president of the National Industrial Conference Board.

HOW DO YOU OPERATE ON AN AGGRAVATION?

Continued from page twenty-two

agement, WITH A MINIMUM of state and federal interference. Our founding fathers knew all about the evil of arbitrary power; they knew how power concentrated in one central location could, AND WOULD, create the confusion of an aggravation. That is the MAIN reason for our Union, under the separate nobility of independent SOVEREIGN STATES!

The war of 1776 was fought to make taxation and representation "go together," but the 16th Amendment completely destroys the "REASON" for our Revolutionary War. Once more the American tax-payer is discovering that the tax collector Now is exactly the same as the tax collector of George III, who became a law unto himself, and the American must once more PROVE that he does not owe the amount assessed.

Since 1933, the executive branch of our government has gone completely power-mad, and this innerchamber now make their plans without giving any thought to the tax-payer, and certainly without questioning the intent of the Constitution. So we have executive orders that carry the power of law and our bureaucrats take the taxpayers money, set themselves up in business to turn around and compete with our own tax paying businessmen.

If you want to stop all this, you can do it by telling your representatives in the halls of Congress that you want all of these tax-eating federal corporate activities sold back to the American people. By doing that you can reduce the national debt 50 billion dollars.

Here are some figures developed by the American Progress Foundation that should inspire you to action. The American people can, under the terms of the proposed 23rd Amendment, now pending in Congress as Congressman Gwinn's House Joint Resolution 123, get back into our private enterprise system the 40% of the land area, and 20% of the industrial capacity that now comprise the federal corporate activity in the United States. The amendment, at 1954 levels, would produce these savings:

Interest	$ 1,250,000,000
Amortization	1,250,000,000
Losses Saved	10,000,000,000
Payroll Saved	4,000,000,000
Facilities	12,000,000,000
Total	$28,500,000,000

Add to this the nearly 5 billion tax dollars given to foreign socialistic and communistic governments to keep them in power during 1954, and we find the potential saving equals a grand yearly total of more than $33 billion.

Total individual income taxes paid in 1954 amounted to little more than $32 billion. Thus, we would be able to cut the cost of government enough to *permit the repeal of individual income taxes* and still leave the government a surplus of a billion dollars a year.

This is not the end, but only the beginning of a chain reaction of enormous benefits to every American. The struggle with tax form 1040 will end. It will restore 15 or more percent more spendable income to the average American family.

You can never cure a national disease by political patches on the aggravations. A complete cure can only be obtained through complete surgery on the basic cause and that is—the outright repeal of the 16th Amendment.

Start to agitate your own state legislatures today to pass a resolution memorializing the Congress of the United States to act on House Joint Resolutions 232 and 123. They are your double-barreled shot for Freedom.

A sharing of knowledge is the prelude to wisdom. THE FREEDOM SCHOOL encourages individual wisdom by providing a SOCRATIC FORUM on liberty for Americans who are 16 years of age or older and who wish to expand their horizons by reaching an understanding in the basic truths of the libertarian philosophy. Six courses available beginning June 3, 1957. Each course takes just two weeks.

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If you would like to participate, write FREEDOM SCHOOL, Box 165, Colorado Springs, Colorado, for enrollment application and free descriptive folder.

TAX SYSTEM UNDERMINING NATIONAL ECONOMY

The present tax system is slowly but surely undermining our economy in three ways, according to Ernest G. Swigert, 1957 president of the National Association of Manufacturers.

1. It destroys the incentive of people to work.

2. It makes it increasingly difficult if not impossible, for people to save and provide the risk capital needed for our kind of economy to exist.

3. It has a deadening effect on the spirit of enterprise, on the urge to try new ventures, which has made America.

"Taxes should be used for raising revenue and for nothing else," Mr. Swigert said. "We have departed from that principle and we must get back to it. The people I talk to in Washington will admit that our system is wrong, but claim that it is politically impossible to alter it basically. I have more faith in the American people than that."

The fight must be made on principle, and not on details, Mr. Swigert emphasized, adding that "it is no answer to make special concessions to small business or special deductions for pressure groups. We must attack the basic evil, progressive taxation."

"We have gradually adopted a tax system that is devised not to raise revenue but to reform society, to remold our lives, and to distribute our wealth according to the ideas of economic and social planners. If we had deliberately tried to devise a tax system which would be harmful to economic growth and development—and disruptive to individual initiative—we could hardly have done better."

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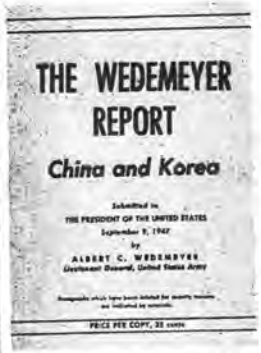
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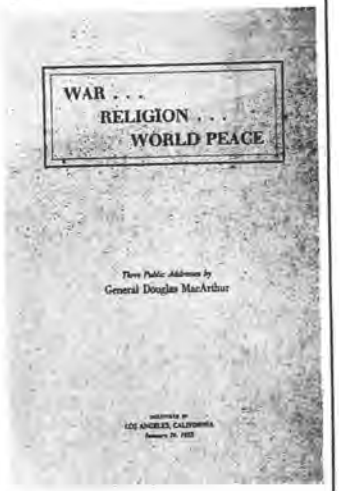
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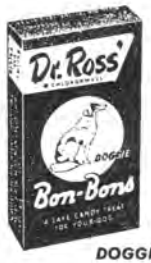
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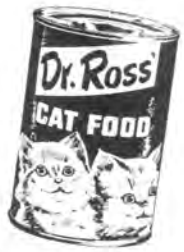
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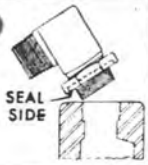
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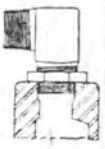
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SPARKMAN HAILS AD-X2 DECISION

Senator John Sparkman, chairman of the Senate Small Business Committee hailed the decision of a Federal Trade Commission Hearing Examiner in dismissing the charges of false advertising against battery additive AD-X2, a chemical compound designed to prolong the life of mechanically sound automobile and storage batteries. AD-X2 is produced and marketed by Jess M. Ritchie, president of Pioneers, Inc., Oakland, California.

"This action is a spectacular triumph for all small businessmen," Senator Sparkman stated, "in their fight to achieve equal treatment with big business at the hand of Government agencies."

Senator Sparkman added that all Federal agencies with regulatory powers over small business should profit from the lesson implicit in the AD-X2 case. "From now on," he stated, "there will be little excuse for any Government bureau unwittingly becoming the agent of industrial interests bent on harassing their smaller competitors." — *Oakland Tribune.*

No Battery is as Good Without AD-X2 as it it With AD-X2:

"Plant superintendents, shop foremen, master mechanics, chief electricians . . . No other case has so large a volume of *substantial* and *reliable* user testimony."

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*Kennametal is the Registered Trademark of a series of hard carbide alloys of tungsten, tungsten-titanium and tantalum carbide, for tooling in the metalworking, mining, woodworking, textile and petroleum industries, and for wear parts in machines and processing equipment.

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Team-work Pays . . .

The AMERICAN PROGRESS FOUNDATION and the ORGANIZATION to REPEAL FEDERAL INCOME TAXES have combined their facilities. This is a matter of enormous significance to the whole freedom movement, giving dimension to the surging spirit of cooperation in the drive to regain economic freedom and remove the communist inspired income tax.

As 1957 began there was little evidence of official progress. Congress brushed off every request for hearings on the "Proposed 23rd Amendment".

In February Congressman Clare Hoffman introduced H. J. Res. 232 to repeal the 16th (income tax) amendment, and the flood of mail resulting from this gave notice that the American people were finally getting together on basic principles.

June 10th Congressman Ralph W. Gwinn introduced H. J. Res. 355, combining the repeal of the 16th Amendment with the "Proposed 23rd Amendment" as it became evident that they complemented each other, the one reducing spending while the other reduces taxing.

Literally thousands of letters descended upon the Judiciary Committee of the House demanding hearings on H. J. Res. 355. While the attitude of Congress became more conciliatory, no tangible progress was evident, so an amazing series of alliances between people and organizations took form to force action on this fundamental point.

An "Open Letter" appearing elsewhere in this issue, and in more than 3000 newspapers across the nation, was sent to Congressman Celler, chairman of the House Judiciary committee. His answer indicates the enormous value of the teamwork by Americans everywhere in uniting their efforts in this cause. Congressman Celler's letter states:

> "I believe considerable thought should be given to your request for hearings. It is, of course, too late to begin hearings in this session. This Committee, however, is beginning to gather a good deal of information on these proposals and the staff has been instructed to gather such information as it can which would be useful in consideration of the resolution."

A few months ago the odds against hearings on the "Proposed 23rd Amendment" were overwhelming. Today, as the result of an enormous amount of grass-roots cooperation, the chance of hearings next January, when Congress reassembles, appears very good—PROVIDING WE INCREASE THE POWER AND THE VIGOR OF THIS COOPERATION FOR H. J. RES. 355 AMONG ALL PEOPLE AND GROUPS.

This is the challenge facing us today—a challenge we MUST meet. It is a much easier task before us now, because the first target is in sight. We can get congressional committee hearings on H. J. Res. 355 if we want them enough to work hard for them.

TEAM-WORK PAYS. We have the proof that it pays, so let us now work harder, redouble our efforts to make doubly sure that we will have hearings in Washington on H. J. RES. 355 as the first order of Congressional business in 1958.

Write to Congressman Emanuel Celler, Chairman, House Judiciary Committee, Washington D. C., adding your voice to the demand for hearings on H. J. Res. 355.

God's Law for Man . . .

As provided in the Declaration of Independence and the Constitution, whatever rights and powers man has, they all come from the Creator.



Ralph W. Gwinn
Congressman
New York

Such rights and powers may be transferred to someone else, to a group, or an agency, or a government, to be exercised on behalf of man. But man cannot transfer any greater or higher powers to government than he has himself received from the Creator.

So, as declared in the Declaration of Independence, government is instituted or appointed an agent to protect these rights. Then the Declaration goes on to say that whenever government becomes destructive of these rights it is the duty of the people to abolish it. And later on in the Declaration, "provide new guards for their future security."

Under the natural law, that is the law of God, and under a restatement of that law in our Declaration of Independence and the Constitution the force of government is a protective force, a defensive force, a keeper of law and order. Nothing else. It can exercise force over man for no other purpose. It can take his property by taxation for no other purpose than his defense; viz., courts, roads, lights, police, currency, credits, health, regulations of commerce, military defense. This is the natural law, or God's law concerning man.

All the legitimate laws, therefore, that are on our statute books must have to do with defense of man, his house, his family, his contract rights. This was very simply stated in Exodus 22:2—

"If a thief be found breaking into a house or undermining it, and he be wounded so as to die; he that slew him shall not be guilty of blood. . . ."

After Moses justified (Number 32:20-23) going armed until the enemy had been driven out, he adds this significant paragraph, which is the point of this article: "Then afterward ye shall return and be guiltless before the Lord, and before Israel. . . . But if ye will not do so, behold, ye have sinned against the Lord: and be sure your sin will find you out."

You cannot levy tribute on even your enemy who may have attacked you.

"Self defense shall be no more than requisite in order to ward off an illegal attack of which there is immediate danger. The danger may be of loss of life, bodily injury, or injury to honor or property. The defense may go to the length of killing the aggressor, even without respect to the value of the good that is threatened; but excess beyond a reasonable measure of defense involves guilt. . . ."—*Encyclopedia of Religious Knowledge* — Schaff-Herzog. Page 343

Let us illustrate the case again the power of government to use force except to defend and protect the rights of man. A policeman protects your life, your property, your household, your family, your pursuit of happiness, all according to the statute of law. But just the moment he leaves his beat on the sidewalk and steps off the curb to enter our house or your field to take by force your furniture or your gain, he is beyond the bounds of the law. When he takes by force and redistributes it on the other side of town, where, according to his judgment, the need is very great and where he can do the most good, he becomes an attacker, an aggressor—

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Concord of Nations Controls U. S. Economy from Geneva

By ROBERT NELSON TAYLOR



George W. Malone
U. S. Senator
Nevada

"We have changed the tide, and now it is running out on us," declared Nevada's Senator George W. Malone in the course of a Senate Finance Committee hearing looking into an Administration bill to bring tariff relief to hard-pressed American lead and zinc miners. In surveying the damage brought upon this industry by our participation in the General Agreement on Tariffs and Trade, and the need for enacting legislation that would keep lead and zinc prices above the "peril point," he said, "we have to do it now . . . If we are to survive. Now we are $280 or $290 billion in debt. Thirty-four foreign nations are running our trade and national economy in Geneva."

Charles E. Schwab, of Kellogg, Ida., chairman of a hastily-formed "emergency lead-zinc committee", was spokesman for the industry. He cited the closing of the mines, the unemployment and general distress in mining communities as "classic examples" of what happens under GATT when Government war-time stimulants are removed and producers in low-wage countries "dump" their metal on the U.S. market. Lead is now selling at 14 cents a pound and zinc at 10 cents. The "peril point", the price at which U.S. producers can compete, is recognized by the Administration at 17 cents for lead and 14½ cents for zinc. The need for action is obvious.

The industry supports and generally endorses the Administration remedy, a *flexible* tariff that would be applied only when prices fell below the peril points, and removed when prices recovered. This would not only rescue the U.S. industry from annihilation, but, in view of the fact that we can no longer produce the quantities of lead and zinc the nation requires, would still leave a sizeable U.S. market for foreign producers.

This issue, vital as it is to the miners and smelter workers who are losing their jobs, is important to every American. This "classic example" provides a preview of the breakers ahead for the workers in every American industry whose destiny is in the hands of those 34 competitive, envious, low-wage, foreign nations who wield the GATT in Geneva.

In our well-meaning efforts to raise the living standards of others, we have gravely imperiled our own. We must either protect our economy or prepare to sink gradually to the rice-bowl level.

Officials Abuse Their Taxing Power

By Henry Plowdeeper
Author of
"Liberals and the Constitution"



A prominent industrialist said to me that he could not, from what he heard and read, determine why disaster always overtakes government engaged in business adventures, or in taxation plans to eradicate economic hardships.

I said to him that is so because of the relationship of the government official to the tax money.

He represents sovereignty and therefore is not financially responsible for his mistakes. The King can do no wrong.

He obtains the tax money by compulsion.

He is in a strategic position to spend much money for his own political, financial and social advantage.

By abuse of majority rule he can dissipate the funds of the efficient, thrifty and honest.

He can block investigation under cover of public necessity and military secret.

He cannot be sued without his consent, and when sued may avoid judgment by declaring that the court is without jurisdiction, on grounds of public policy.

There is no way to make him financially responsible.

Obviously, to grant a person covered with so many privileges, advantages and immunities, wide authority to spend tax money, violates all the important moral and legal rules on which society depends. Society cannot survive when such rules are disregarded.

Responsibility of Private Organizations—The government official is well aware of the rules. He enforces them most vigorously against bankers, insurance companies, trust companies, corporations, brokers and guardians. In his "war" to prevent fraud by private concerns he often imposes restrictions on them which make it impossible to use the funds to the owner's advantage. He does so, in spite of the fact that persons in business do not acquire funds and customers by compulsion, and stand to lose everything they have should they make a mistake.

Lack of Responsibility—For himself he demands a free hand for spending, although he obtains his funds and customers by compulsion, is not responsible for his blunders, cannot be sued without his consent, does not have to keep a money surplus, may pile up debt without regard to collateral, can avoid investigation under a plea of military secrecy and public necessity, and can stymie the courts by declaring that the matter is one of political policy.

In tax disputes he is most unfair. He seizes the tax money before he comes to the court—a court presided over by a judge paid and appointed by the government and, therefore, in an awkward position to resist its policies. A taxpayer's chance for recovery is therefore at the minimum.

The money in the hands of a government official constitutes a most sacred trust. Nevertheless, without the consent of the taxpayer, it is invested in dubious undertakings without regard to the usual rules of what is moral or legal. Such a concept of a trust relationship is not one of integrity, nor is it sound business.

He is in a strategic position. Undue influence, difficult to uncover, arises from his authority to grant and deny. He does not have to ask, promise, or even suggest favors. Favors will be pressed upon him over his protest. Moreover, his selfinterest will make him astute in representing undue influence as heroic action to save the nation.

He can readily reap benefits from wasteful programs. Office, security and prestige may be gained by giving friends financial help. They in turn, will make themselves believe that what they demand is absolutely necessary to promote public welfare. Human beings do not withstand such temptation. It breaks the strongest character, even in the area of religion.

Not Unfair Criticism—What has been said is not unfair criticism of integrity or intelligence. It recognizes the weakness of human beings, implied in every lock, ring, contract, charter and constitution, as well as in the practice of honest men binding themselves with contracts, judges not sitting for cases in which they have a personal interest, and taking an agent's statements with a grain of salt.

It is subscription to the principle that power and responsibility must not be separated, and that the one financially responsible must dictate policy.

It reflects the basis for the Constitution's mandate to limit the taxing power, in order that tax money could be utilized only for the usual functions of government. The disregarded mandate proves that the Forefathers underestimated the craftiness of the human mind in search of power.

Ballot Not a Check on Corruption—Under the universal ballot the voting majority is often made up of the frustrated, the desperate, the disappointed, the hungry, the ignorant, the misinformed, the greedy, the lazy and the unscrupulous, plus that great number of voters who depend on government for jobs, contracts, pensions, education, food and shelter. Such voters, in connection with spending tax money for welfare purposes, should not be expected to exercise sound judgment. Constitutional provisions restricted it to voting for a candidate who was supposed to guide it.

But even the judgment of the candidate was not trusted. The Constitution gives him a short term of office and, in addition, bound him by an oath to abide by and defend a plan of government which greatly curtailed his taxing authority. He has managed to by-pass all these curbs by misuse of the universal ballot.

As an office-seeker he depends on votes. He, therefore, grants what a majority demands. He does more. He skillfully encourages the voter to make demands which will enhance his power.

The record shows that he follows

Turn to Page Sixty-two

How to Reduce Taxes...

The *Democratic Digest* for June is a snappy little sheet. It lampoons Ike from A to Izzard for being out on the golf course so much while so many of his little Washington Romes are burning.

It recalls how "Democratic spirits are rising" in the same ratio that Mr. Eisenhower is "losing his immunity from criticism." Boldly it says "the Eisenhower Administration's lack of leadership is finally beginning to take hold."

Its punch line is "It's Here!! The 36-Hole Work Week." And—

The *Democratic Digest* urged "tax reductions for low-income groups and small business."

However, the DD stopped right then and there. It didn't dare go any further.

It never mentioned the documented fact (documented by *Capsule News* and American Progress Foundation) that 75% of the 1958 tax bill can be looped off if Congress will slash the $28½ billion in appropriations for those 700 illegal government corporations manned by 1,000,000 odd payroll bums.

Only Congress can do this.

The Democrats control Congress.

Are they going to do it? Hell no.

A large number of these 1,000,000 payroll bums call themselves Democrats and latched onto the payroll during the Administration of the Big Palooka and the Busted Haberdasher. Democratic leaders lack the moral courage to face the yapping of these million payroll bums, even though 60 million taxpayers would vote Democratic in November 1958 if they had it.

Speaker Rayburn has copies of *Capsule News* showing this colossal outrage against the taxpayers in plain English and documented form.

So does Democratic House Leader McCormick. And Democratic Senate Leader Lyndon Johnson.

And Democratic Appropriations Chairman Cannon of Missouri. This double-talking politico refused to study the CN data when asked to by a newsman. He just shrugged it off with the platitude, "That editor is too optimistic." Mr. Cannon doesn't want to know.

Democratic Chairman Hayden of the Senate Appropriations committee Democratic Finance Committee chairman Byrd of Virginia. Both would rather stick their heads in the sand, like two ostriches, than face the yapping of those 1,000,000 payroll bums.

They don't realize that any Senator who took the lead in bringing this tax relief to 60,000,0000 American citizens, whose pockets are being picked of $28½ billion each year, could be catapulted into the White House, come January 1961.

All Demoratic members of both the House and Senate appropriations committees have been appraised. None have the courage of their convictions.

Neither does the *Democratic Digest*.

CN cannot repeat too often how this $28½ billion is thrown down a rathole annually by the Congress. The only business the Constitution gives the US government power to enter into is that of carrying the mails.

But the last three administrations and the last ten Congresses, have secretly inserted into various appropriation bills appropriations for the support of more than 700 illegal corporations within the US government. These corporations not only compete unfairly with legitimate business, but serve mainly to provide lush jobs for over 1,000,000 payroll bums.

This is picking the taxpayers' pockets with a vengeance when collections are slugged out of them to maintain these abuses. In few words, this $28½ billion is broken down thusly:

Payroll of 1,000,000 payroll bums, $4,000,000,000.

Goods, services and other emoluments needed to make this payroll possible, $12,0000,000,000.

Actual financial losses sustained by these 1,000,000,000 payroll bums, in competing with legitimate business and playing "business men", $10,000,000,000.

Interest on the recoverable value of land and facilities, bought with taxpayers' money to support these 1,000,000 payroll buns, $1,250,000,000.

Amortization on the same ($50 billion in 40 years), $1,250,000,000.

Total $28,500,000,000.

Capsule News is a new type of newsletter which really packs a wallop. Published by Morris A. Bealle, 1737 H Street N.W., Washington 6, D.C., this hard-hitting weekly is loaded with common sense. Not a week goes by but what the tax problem is given a treatment. We take the liberty of reprinting here the lead item from the June 8, 1957 issue of *Capsule News*.

TWO GREAT EVENTS

In Chicago, on the evening of September 13, a National Tax Protest Rally is being staged. Three noted speakers will present the case for the heavily burdened American taxpayers—and aren't we all. Congressman Ralph W. Gwinn of New York, Mr. Dan Smoot, publisher of *Dan Smoot Report*, Dallas Texas, and Mr. Willis E. Stone, author of the "Proposed 23rd Amendment", of Los Angeles, are the speakers.

Early the next morning, Sept. 14, the Third Annual Convention of WE, THE PEOPLE, begins, and carries over to Sunday, Sep. 15. Seminars lead by distinguished Americans, dealing with the problems of businessmen, taxpayers, farmers, doctors, parents and teachers receiving detailed study.

WE, THE PEOPLE sessions will be presided over by former Congressman Kit Clardy of Michigan, president of the organization. The luncheon speaker on Saturday will be the illustrious former governor of Utah, J. Bracken Lee. A special Sunday church service will be conducted by Dr. Howard Kershner, president of Christian Freedom Foundation, New York.

Mr. Harry T. Everingham, executive vice president of WE, THE PEOPLE, and Mr. Kent Courtney, of the Conservative Alliance, both extend invitations to the three days of patriotic activities. All events will be held at the La Salle Hotel, in Chicago.

Clare Hoffman, Michigan: When the budget of $71 billion plus was sent to the Congress on January 15, there were available in holdover funds some $70 billion.

It is reported a dangerous trend is developing in the (U.S.) Senate in favor of free hospitalization for Social Security beneficiaries.

Socialistic Thinkers . . .

By JESS M. RITCHIE, *President*
Pioneers, Inc., Oakland, Calif.

Let us analyze what we are talking about when we say "Socialistic Thinkers". The Federal Budget is made up of your money and my money. Mr. Willis Stone in his *Fact Sheet* cites over 700 Goverment owned corporations operating in competition with free enterprise, doing everything from growing gardens to running the Tennessee Valley Authority making electricity and fertilizer, with losses underwritten by our tax dollars.

The Bureaucrats make up the budgets to support their Government-owned operations. The Congress approves these budgets through the appropriation of money to underwrite these operations and guarantee their losses. Then, the Bureaucrats take this same money and use it in the district from which the Congressman or Senator is elected to create a favorable atmosphere for obtaining the socialistic vote to insure their re-election to either House or Senate.

There is no man in the Congress, to my knowledge, who can conscientiously plead innocent to this "modus operandi". This Nation cannot exist half free enterprise and half socialistic, especially when the socialist half makes the rules, call for the reports in sextuplet, and, have the final word as to whether the rules laid down by them are met by the free enterprise half.

According to Judge Sylvester J. McAtee, in 158 years of United States history, prior to 1950 and including two World Wars, the Federal Government spent 406 billion dollars. From 1950 through 1956 the Republican and Democrat publicly elected officials in Congress appropriated 433 billion dollars which they dissipated through the bureaucrats for their own perpetuation. This squandering mania continues and increases and it can only be stopped by the election of responsible American citizens from industry, off the streets and out of the fields of this great Nation, who are dedicated to the principles of the Constitution rather than to maintain themselves in office.

Bear in mind that there are more than 700 Federal Corporate activities which exist without any pretense of Constitutional authority. Let us see what is meant by putting Government-owned corporations back on the tax rolls, as compared with the operation of these corporations by Federal employees. Mr. D. B. Lewis, president of the Organization to Repeal Federal Income Taxes, Inc., points out that the U. S. Government Barge Lines which were set up in 1916 on the Mississippi River, under the emergency of World War I, were operated by the Government until 1953 when they were sold to private industry. During the period of Federal ownership they lost 35 million dollars for the American taxpayer. During the first year's operation under private industry, this same operation paid one million dollars in taxes.

Our elected representatives and the bureaucrats would have us believe that much of the monstrous Federal budget is returned to us through grants in aid to States. Let us look at the facts: Paul O. Peters, in "Here's How the Federal Government is Robbing the States; Communism in Action", shows that in 1954 for every $100 Californians paid in Federal Tax, they received $6.82 in Federal Aid. Now, the Californians are fortunate, if such ridiculousness can be considered fortunate, when compared with the people of the State of Delaware, who according to the same authority, received only $.79 in Federal Aid for each $100 paid in Federal Tax.

You may recall Professor Van Doren who recently won $129,000 on a TV program. $104,000 of this was paid in taxes before the Professor got his hands on it. This $104,000 produced nothing but more bureaucracy. Now, had the Professor been allowed to retain this money and start a business for himself or buy appliances or equipment, he would have created a good deal of productive work with his money. This money, moved through the normal channels of commerce, would have paid, as it did prior to 1913, taxes at every turn. Please bear in mind that there are over 200 known taxes on the books for Government revenue. Professor Van Doren could not have helped but create a healthy financial atmosphere by spending this money. But, confronted by the 16th Amendment, he was forced to send $104,000 to the bureaucrats, where it will produce nothing but more paper work and more bureaucrats.

There are those who would have us believe that the 16th Amendment established a tax system which created revenue for the Government in accordance with the tax payers' ability to pay. This is a fallacy. The facts are that the Federal Income Tax, which was communistic in inspiration in this country in 1909, well before the Communists came to power in Russia, was passed by the Congress in 1913 at 1% of the net income, with the promise that it would never go beyond 2% of the income. And now, with the bureaucrats in the saddle, it is on our books at a minimum of 20% of our income and goes as high as 91% in the upper brackets with no ceiling even there. It was inspired by the Communists for the avowed purpose of destroying the free enterprise system and individual initiative.

Our Government does outlandish things and we are not supposed to understand them—just accept them. Yet, here are some of the things we cannot help but understand from reading the daily newspaper. The Federal Government gives air concessions from San Francisco to New York to Qantas Air Lines of Australia and a Texas routing to the Dutch KLM Lines—these air routes to be in competition to our tax paying home-owned air lines. "Long Term Foreign Aid Plans Ok'd"—House Foreign Affairs Committee voted to give away ½ billion dollars additional each year for 1959 and 1960 for foreign development loans. Aid to be continued to Marshall Tito, the Communist friend of the Kremlin and Mao Tze-tung, the red butcher of China. This is news from just one-day's newspaper—it goes on day after day while our billions are being squandered in foreign lands on ideals diametrically opposed to what we believe.

Unless we regain and retain for ourselves and our children and their children, those sacred liberties set forth in the Constitution of the United States, we will have lived in vain—our children will hate us in our graves and we will have failed to protect the most wonderful form of Government in the history of mankind.



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Before the Revolutionary War the Founding Fathers of this nation, were confronted with the threat of unlimited government. The "BUNDLE OF STICKS" pictured here and on the front cover became the Symbol of Union in defense of Liberty.

NOW, with the threat of unlimited government again arising, the "BUNDLE OF STICKS" continues to symbolize the Union of American purpose and effort in the cause of liberty.

UNION OF PURPOSE

Following the pattern of the Founding Fathers, who spelled out the terms of **their** freedom in the Constitution, patriots of our time forged a Constitutional Amendment, H. J. Res. 123, to limit the economic power of government and thus preserve the right of every person to have and to hold property and the product of his labor.

Another Constitutional Amendment, H. J. Res. 232, was forged which would abolish the communist inspired 16th (income tax) Amendment.

These two instruments, one dealing with taxing and the other dealing with spending, have been united into a single proposed amendment, deserving the united action of all Americans, to revitalize our American institutions of economic liberty. This new program of action is now before Congress as H. J. Res. 355. It provides that:

SECTION 1— The Government of the United States shall not engage in any business, professional, commercial, financial or industrial enterprise except as specified in the Constitution.

SECTION 2— The Constitution or laws of any State, or the laws of the United States shall not be subject to the terms of any foreign or domestic agreement which would abrogate this amendment.

SECTION 3— The activities of the United States Government which violate the intent and purposes of this amendment shall, within a period of three years from the date of the ratification of this amendment, be liquidated and the properties and facilities affected shall be sold.

SECTION 4— Three years after the ratification of this amendment the sixteenth article of amendments to the Constitution of the United States shall stand repealed and hereafter Congress shall not levy taxes on personal incomes, estates, and/or gifts.

ORGANIZATIONS UNITED

In the spirit and tradition of the Founding Fathers of our American Republic the Directors and Members of two great patriotic organizations have combined their facilites for greater achievement.

The AMERICAN PROGRESS FOUNDATION has long championed the "Proposed 23rd Amendment" designed to terminate government's competition with its own citizens, thus restoring economic liberty and cutting the costs of government in half.

The ORGANIZATION to REPEAL FEDERAL INCOME TAXES has been the champon of the proposition that the 16th (income tax) Amendment, by which the most ruthless implement of the Communist Manifesto was applied to the American people, should be repealed, thus reducing the revenue of government by half.

These two projects compliment each other, because the reduction of taxing and spending must go hand-in-hand. It is logical that these two great organizations should be closely allied.

Because the questions of taxing and spending are inseparable, they have been united in the UNION OF PURPOSE of the two groups. H. J. Res. 355 is the single Constitutional Amendment which will accomplish the objectives of both organizations and the heartfelt dream of every true American.

Therefore, the two organizations combine their energy, their effort, their facilities, their resources, believing that in this Union will be found the strength to repair and restore the power, intent and purpose of the Constitution.

Join in this modern crusade to apply the terms of H. J. Res. 355 and restore economic liberty in America.

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An Open Letter



By Willis E. Stone

Hon. Emanuel Celler, Chairman,
House Judiciary Committee,
Washington, D. C.

Dear Congressman Celler:

On June 13 you wrote to Mr. Dan Foley, Fairmont, West Virginia, acknowledging his plea, which was but one of thousands, that you call hearings on H. J. Res. 123 (a proposed 23rd Amendment to remove government from competition with its own citizens) and on H. J. Res. 232 (to repeal the income tax amendment).

These two proposals, which are so closely related, have since been combined into a single proposed Constitutional Amendment—H. J. Res. 355—which is awaiting hearings by your Committee.

Mr. Foley made a fair request of you. He properly assumes that it is the function of our Representatives to hold public hearings, and to thoroughly explore all phases of such important questions. Unfortunately, you did not respond to that very logical request.

In your letter to Mr. Foley, you apparently assumed, and properly so, that the two Resolutions involving taxing and spending are inseparable parts of the same thing, but you seem to have misjudged the issue, the logic of the proposals, and the determination of the American people to have something done about it. Your letter read:

"This proposal is, in the main, a negative one since it does not propose an alternative which will permit the government to raise essential monies for essentially Federal expenditures such as defense measures, veterans' benefits, interest and the general expense of running the Federal Government."

Millions of Americans take issue with you on this. They contend there will be adequate revenue for all PROPERLY AUTHORIZED functions of government. There is an enormous quantity of evidence to support this view, so they regard the proposal as extremely positive, in the pattern of American tradition and constitutional precedent, proposing a reduction in the cost of government greater than the proposed reduction in revenue.

To determine the merits of these opposing viewpoints requires hearings, and the American people look to you, Mr. Celler, as Chairman of the Judiciary Committee, to call these hearings.

You have urged the "cautious" approach, but is there any greater caution in such a grave issue than that of drawing out in a public hearing the full truth of every phase of this question of taxing and spending? Such hearings would reveal a very "practical and realistic alternative" to the income tax evil—one that has been carefully documented.

Section 1 of both H. J. Res. 123 and H. J. Res. 355 provides: *"The Government of the United States shall not engage in any business, professional, commercial, financial or industrial enterprise except as specified in the Constitution."*

This would terminate the corporate activities of more than 700 federal agencies. These activities have taken over 40 percent of the land area and 20 percent of the industrial capacity of the nation. They compete with American citizens on an interest free, rent free, cost free, tax privileges, these federal corporate activities directly and indirectly consume MORE THAN ONE-HALF the total revenue of the federal government to pay their losses and hidden costs.

The list of more than 700 federal corporate activities which compete with private enterprise on such un-American terms, together with a reprint of H. J. Res. 355, are being sent to you for your study. Both the list and H. J. Res. 355 are available to anyone upon request to *Fact Sheet*, 6413 Franklin Ave., Los Angeles 28, Calif.

Surely, with such data before you, Congressman Celler, you will agree that a "practical and realistic alternative" to the income tax is available and should be thoroughly studied in public hearings. The issue is squarely before you, sir. Surely, in the interest of truth and the well being of all the American people you will initiate public hearings on this issue, and soon.

* * *

Why not write Congressman Celler, too? Your voice will aid the cause of economic freedom now.

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How Free Is Federal Corporate Activity?

Reprinted from
"Free Men Speak"

Fact Sheet is in business. And when we say business we mean just that. The business of *Fact Sheet* is to show in a series of weekly two-page newsletters exactly what is happening to American Free Enterprise as the result of the inroads of more than 700 corporate activities engaged in by the U. S. Government. None of these federally owned and operated businesses has any Constitutional authority at all. Most of them have come about because the Congress has abdicated its authority and control.

Fact Sheet No. 1 is the Index of the entire series. It lists in alphabetical order more than 700 corporate entities run by the Federal Government in competition with its own citizens. These 700-plus Federal firms enjoy free services from more than one million federal employees—free to the federal corporations, that is—but supported by your taxes and mine! These facts are supported by the sources which include official reports of Federal agencies and the various reports of investigating committees including the various Hoover Task Force Reports. This No. 1 report itself is worth the annual subscription of $10 as you read the list of taxpayer-supported activities running from ABACA to Zirconium.

Fact Sheet No. 2 outlines a tale that puts the Arabian Nights stories to shame. We find that the United Fruit company is an unwilling partner in the raising of an uneconomic crop of HEMP fibre in Honduras, Guatemala, Panama, and Costa Rica. You, the taxpayer, have invested over 17 million dollars in this operation. In fiscal 1956 you paid out 3½ million to supports its losses. The cumulative losses in the 1954-1957 period is $8,937,086.00! This program was begun without Congressional sanction and is now supported by a special Revolving Treasury Fund.

CUBA NICKEL COMPANY is the subject of *Fact Sheet* No. 3. Even though we had sufficient supplies of Nickel for war purposes available from Canada, the attack on Japan gave some bureaucrats an excuse to move into Cuba and set up a Federal Corporation to produce Nickel from ores that were highly uneconomic. By 1954 the taxpayers of the U. S. had invested about 50 million dollars in the plant. In 1956 $43 million dollars were spent to expand the facilities of the Cuba Nickel company in order to try to produce 24,500 tons of nickel annually. Incidentally the plant is being operated under contract by the Nickel Processing Corp. This firm is owned 50% by a Dutch firm, 20% by a Cuban firm and 30% by a U. S. firm, the National Lead company! It looks as though the U. S. taxpayers are making investments in plants and equipment in Cuba so that foreigners can make profits by operating our equipment! It seems to *Free Men Speak* that this calls for a Congressional investigation. There is a 93 million dollar giveaway here!

ESKIMO DWELLINGS was discovered by a Hoover Task Force as a million dollar boondoggle hidden in the remote recesses of the ALASKA HOUSING ACTIVITY. To get to this amazing story you have to wade through the COMMUNITY FACILITIES ADMINISTRATION which is subsidiary to the HOUSING AND HOME FINANCE AGENCY. There is an indicated loss of some TWO BILLION DOLLARS in the ALASKA HOUSING situation. There was a loss of 79.8 milion dollars in 1956 alone. Talk about your scandals in the Truman administration! ESKIMO DWELLINGS is *Fact Sheet* No. 4.

So you thought that PASSAMAQUODDY was repudiated in 1936 as one of the worst of the New Deal dreams. Did you know that it was revived in 1956? In the 1958 budget the Eisenhower Administration asked for $1,349,000 to make a survey to determine the cost of construction of a TIDAL POWER PROJECT AT PASSAMAQUODDY! Back in 1956 this same G.O.P. Administration asked for THREE MILLION for this same survey! The STATE DEPARTMENT is to have jurisdiction over this project.

The proposed 23rd Amendment to the Constitution now embodied in House Joint Resolution 355 WILL MAKE POSSIBLE THE REPEAL OF THE PERSONAL INCOME TAX IF WE GET THE GOVERNMENT OUT OF COMPETITION WITH PRIVATE BUSINESS ENTERPRISE.

YOUR *FACT SHEET* SUBSCRIPTION will keep you informed and give you facts that you can use in letters to your home town editor and in letters to your Congressman. Every week you can demand a Congressional Investigation as the result of information supplied in your subscription to *Fact Sheet*.

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INSPECTION OF FACILITIES INVITED

The Twin Amendments . . .

Reprinted from *News Letter*, official publication of Association of American Physicians and Surgeons.

The successful completion of two key tasks will restore constitutional government to the United States . . . They are: Repeal of the 16th Amendment (income tax law) and (2) enactment of the "Proposed 23rd Amendment" which would make it illegal for the federal government to operate businesses in competition with its own citizens. . . . The AAPS Assembly and Delegates at their meeting in Miami Beach last April adopted a resolution in support of Congressman Clare Hoffman's (R., Mich.) H. J. Res. 232, proposing an Amendment to the Constitution of the United States to repeal the 16th Amendment (income tax Amendment) . . . The Assembly and Delegates at the same meeting reaffirmed the Association's support of the "Proposed 23rd Amendment".

The repeal of one Amendment and the enactment of the other Amendment are inter-dependent because the first will take away from the federal government the financial power to tax America into Socialism, and the second will return present federal tax-eating businesses to private citizens and to a tax paying status.

The two Amendments have been logically combined in H. J. Res. 355, introduced in the House of Representatives by Congressman Ralph W. Gwinn (R., N. Y.) . . . Credit for this wise move goes to the American Progress Foundation, Willis E. Stone, President (Mr. Stone is author of the "Proposed 23rd Amendment). . . . The repeal of federal income taxes is probably the deep-seated hope of every employed American who has been forced by the government to give up much of his hard-earned income through the Communist-inspired graduated income tax. Despite this intense desire for relief from confiscatory taxation, too many citizens believe that it's accomplishment is impossible, that it is fantastic to even think about it, and that it is wishful thinking of the highest Utopian order.

Realistically, the tasks will be exceedingly difficult. But, the job can be done. The income tax law can be repealed and the government forced out of competition with its citizens, if citizens, dedicated to a rebirth of personal liberty, will realize that no matter how insurmountable the job appears to be, a beginning must be made on the job to be done. And H. J. Res. 355 is a very definite and sound "beginning."

"But how will the government be financed?" . . . This is usually the first question asked when any one suggests repeal of the income tax law. Willis Stone, after many years of intense study of government figures, has found the answer.

Briefly as possible, individual income taxes in 1954 amounted to approximately $32,495,000,000. By outlawing federal corporate activities, savings in interest, losses, payroll, goods services and facilities would amount to approximately $28,500,000,000. Eliminating foreign giveaways, which in 1954 amounted to $4,669,000,000, the total savings would be $33,169,000,000, leaving the federal government a surplus of $674,000,000. If this was done, and as Mr. Stone says: "Your money, now paying taxes, would then buy the things you want, increasing national business volume by 15%, which would increase business tax payments 15%, or $3,231,900,000". Twenty percent more industry on the tax rolls would further increase tax receipts, and these increases added to the surplus, would leave a balance of $4,163,487,000 to pay on the national debt.

Now, what is medicine's stake in H. J. Res. 355? What has the elimination of income taxes and outlawing of federal corporate activities to do specifically with the practice of medicine and with physicians and their patients? First, we believe that most physicians and their patients, as good American citizens, are devotedly interested in preserving our system of government—our system of free enterprise. Second, if the Constitution is backed up and strengthened by the adoption of the "Proposed 23rd Amendment," it would be illegal for the federal government to go into the business of socialized medicine. Thus, the continuation of quality medical care for patients and medical freedom for physicians would be guaranteed.

Third, repealing the income tax would remove from the hands of politicians the financial power to socialize medicine or any other segment of our economy. Accomplishment of these two most important objectives now before the American people would automatically restore the sovereignty of the States and hold in check the octopus of large centralized dictatorial government. Their achievement would mean eventually a balanced budget, control of bureaucracy, and a revitalization of the individual citizen's desire to plan and work for his own security and pay for it with his own money.

All this would mean the restoration of the individual's personal dignity; it would mean a return to morality and fiscal integrity in the government—in short, a strong, healthful nation of freedom-loving individuals having pride in their abilities to do for themselves—and having their own money with which to do it—rather than having it done by a government bureaucracy. And a strong, healthful nation will never turn to socialized medicine or to any other form of collectivism.

THE PRICE OF FREEDOM

To act in absolute freedom you must recognize that the price of freedom is responsibility: for that freedom which you will not fight for, you must yield; and that liberty which you will not yield, you must fight for.—F. W. Eagan, Venice, Cal.

Watkins M. Abbitt, Rep., Virginia: I do not believe that there is a real desire on the part of this administration to reduce expenditures but I hope that the American people will continue to demand efficiency in Government and economical operation thereof by both the executive and legislative branches of their Government.

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GOD'S LAW FOR MAN

Continued from Page Forty-nine

indeed, a criminal. His motive may be good but his means are bad. He could not have improved a bad situation even if the policeman had held an election and secured a big majority approval of his conduct. He would still be exercising illegitimate, immoral force against individual rights.

He would be exercising unlawful authority over persons. There is but one authority and that is God Himself. The moment the policeman, or government begins to exercise authority, compulsion, management, control, taxation, tribute, or compulsions beyond the law of defense, it becomes authoritarian. It presumes to take authority from the only One who has authority.

Isn't that what we mean when we speak of authoritarian government? That is a government that has ceased to protect the liberty of the people under God and seizes the right to exercise authority or management of mankind itself. It presumes to have authority which God alone possesses. It likewise presumes that the people have the power to transfer such powers to the government. The people have no such power, even if they should say so by unanimous vote.

In a free society government that protects freedoms of the individual under God protects the way to interludes of peace at home and among the nations. On the other hand, government that imposes by force its own plans on the individual and then compels obedience to them by still another application of force, leads straight to contention, bickering and corruption among the groups using force against each other, and finally to wars among the nations.

Shall we make the only political choice possible? Shall we turn away from our void transfer of rights and powers (which we do not possess) to government? Let us reaffirm our freedom under God from all compulsions of man over man except for security and defense. Thus, we shall cease our bickerings and our contentions, our exploitations, our aggressions—even against our enemies. And we shall rid ourselves of the intolerable burdens of such a government.

All that is necessary for the triumph of evil is that good men do nothing.—*Edmund Burke.*

Freedom Study Courses

"1500 students graduate from Municipal High."

"2367 students appear in graduating class of Electra College."

Headlines such as these are common in 20th century America. Eduation has become largely a matter of mass. Thousands of young people pass through the portals of our various educational institutions after years of attendance. In most cases the amount of personal attention given to a particular student by a particular professor is minute. Many graduate without ever having sat across from a professor in earnest and solitary concentration upon a problem.

Yet, Americans are content when they read the headlines. They take great comfort in large numbers. It appears to them that by virtue of these numbers we are arriving at national erudition.

Socrates once stated that the ideal school was a log with a dedicated teacher at one end and an earnest student at the other. This personal, intimate instruction is largely a thing of the past in this country.

Most schools are interested in numbers. It is the belief of their directors that their success is rerelated to the numbers of persons they can put through the mill. Still, for all the trend, here and there a voice is raised in protest. An occasional private school will deliberately hold down its enrollment so that it can give more individual attention to the students it accepts.

Perhaps the most outstanding school of this latter type is the Freedom School in Colorado Springs, Colorado. This tiny institution is dedicated to personal attention to students who appear to have outstanding qualifications. Right now, this school is operating in its first year, taking in groups of students ranging from a minimum of four to a maximum of eight in each class. Individuals who want their wits sharpened and who are yearning for bed-rock digging into economics, American style, for a delineation of the American philosophy, according to our heritage, are coming from all over the country to the Freedom School.

School President Robert LeFevre tells us that this year there will be a total of six two-week courses, each of which is equivalent to college post-graduate work, and each of which will be taught to a separate group of students. Persons from 19 states are journeying to Colorado for this experience.

Said one student, a chaplain in the Marine Corps, who has already completed 13 hours of post-graduate work for his master's degree:

"Freedom School, in its 72 hours of concentrated study presented during a two-week period, has given me more than all of the other post-graduate work I have completed combined."

Freedom School has other achievements to its credit, also. So far as is known, the school is the first in America to devote itself exclusively to a study of Americanism with no holds barred. The truth about communism, socialism and other forms of collectivism is starkly revealed and comparisons made which establish by means of logic and principle that the American Way is infinitely to be preferred.

So, here is at least one educational institution where the recitation of numbers in attendance has little meaning. Each graduate is expected to become a leader. No more. No less.

Only your letters and wires to your two Senators will bring about a restoration of federal fiscal integrity in Washington.

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BOOKS

GOD, GOLD and GOVERNMENT—by Howard E. Kershner (hardcover, $2.95; paper cover, $1.50; The Heritage Foundation, 121 W. Wacker Dr., Chicago 1, Ill.), Published by Prentice-Hall.

To those of us who believe that stable money is a necessary part of a good society, and an important phase of Natural Law, a new book by Howard Kershner entitled *"God, Gold, and Government"* is a welcome addition to the literature on this subject.

Dr. Kershner, who is editor of *"Christian Economics"*, demonstrates something that many people do not seem to realize, namely that there is a "close relationship between dishonest money (money that does not hold its value) and moral standards."

As the argument is developed the reader sees a simple (and important) train of thought: *honest money* encourages *hard work and thrift; hard work and thrift* encourages *strong family loyalty; strong family loyalty* encourages *personal morality; personal morality* is the key to a *good society.*

The reader also finds another train of thought: *thrift* encourages the creation of *more and better tools of production;* with *more and better tools,* man's labor results in *more production; more production* creates *more wealth* and a *higher civilization.*

The key to honest money, Dr. Kershner maintains, is gold backing for currency.

Dr. Kershner does not maintain that destruction of the fiscal system takes place overnight, but he writes, *"I know of no currency in history that has lasted more than 42 years after its intrinsic base has been abandoned."*

Those who would give up essential liberties for a little temporary security deserve neither liberty nor security, and will get neither.—*Benjamin Franklin.*

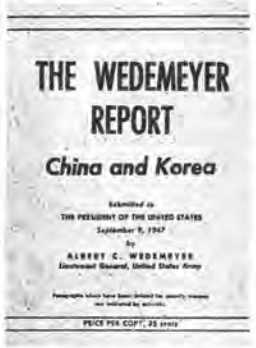
But let there be no change by usurpation; for though this in one instance may be the instrument of good, it is the customary weapon by which free governments are destroyed.—*George Washington.*

THREE OUTSTANDING BOOKLETS . . .



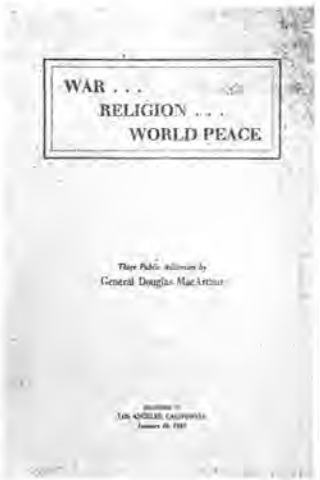
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GOVERNMENT OFFICIALS ABUSE THEIR TAXING POWER.

Continued from Page Fifty

such a course to collapse and revolution. The constitutional curbs on his taxing authority are not idle gestures.

Areas Without Responsibility—Unforeseeable consequences make it impracticable to hold a government official financially responsible. He could not pay for the damage caused by a court decision uprooting long established customs, or for ill-advised legislation, or a misdirected war. Moreover, he would be afraid to act under such circumstances. Generally, therefore, even though the action be the high-water mark of blunder, false pride or deceit, financial liability does not arise in his case.

The unfortunate aspect of government is intensified when officials undertake to remedy economic hardships by taxation—assume power to compel citizens to support other citizens.

His immunity from liability is, of course, the basis for restricting his authority to the limited areas specified in the Constitution.

Limitations on Majority Rule—The government bases the tax policy for its welfare-state laws on the implied consent of the governed—majority rule. But a majority cannot authorize the government to tax (compel) a minority, or an individual, to support others. Such procedure binds the taxpayers to the obligation that everyone shall have what is needed—an impossible task. That idea is the philosophy of communism and totalitarianism. It ushers in permanent destitution for those who were promised help.

War, a temporary status, may give government authority to compel the citizen to surrender his property and life. But when such authority is used to dissolve economic hardships, the prerogative becomes a permanent one. Then everything the citizen has is constantly at the government's command. There will be neither time nor area in which he could be considered a free man. That abrogates the inalienable rights proclaimed by the Declaration of Independence and protected by the Constitution. To exchange such rights for a government's promise of security is to bargain for slavery. The government has no way to keep its promise.

Doctrine of Inalienable Rights—The doctrine of inalienable rights stressed property ownership. Such ownership, in its various phases, is the only way to avoid dependence on government for food and shelter. To be so beholden is the most degrading form of slavery. It brings the individual into subjection to unlimited power, administered by a human being.

The citizen therefore is assumed to have rights which he cannot surrender and which the government cannot seize. They are the basis of his independence.

Nevertheless, in the name of majority rule, the government seized these rights. To redeem the world from poverty, it pledged the taxpayer to support the destitute. Under that government-imposed pledge, the inalienable right of security through property ownership is practically set aside. It denies the citizen the inalienable right to be independent of government for his food and shelter—to be secure through property ownership.

If such is an inalienable right, the government cannot by majority rule, or in any other manner, even in the name of public welfare, modify it—compel citizens to be dependent on government for their bread and butter, or compel them to guarantee that to another.

When the Constitution was ratified the citizens did not contemplate a tax program which could force them to become philanthropists, or give government officials authority to invest or spend tax money as they now do.

The Most Disturbing Aspect—What is most disturbing is the great number of businessmen, clergymen, educators, judges, statesmen and economists who, in their zeal for a Welfare State, follow the totalitarian or communist concept of implicit faith in government—government based on the judgment of one man, or a group of men. But no such faith in others.

The pottage from such authority is so tempting that it forbids recognition of adverse consequences.

Today men worship the Golden Calf of government by man. The original commandments of good government have been discarded.

IT'S AN OLD, OLD STORY!

Consider your ways. Ye have sown much, and bring in little; ye eat, but ye have not enough; ye drink, but are not filled with drink; ye clothe you, but there is none warm; and he that earneth wages to put it into a bag with holes.—*The Bible.*

The private enterprise system is the basis of the military strength of this Nation and of its unparalleled standard of living.—*Herbert Hoover.*

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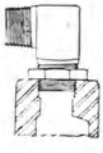
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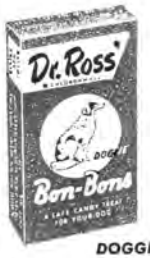


Let us have hearings on H. J. Res. 355
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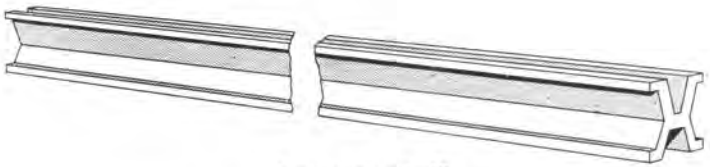


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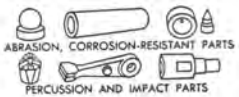
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Just as we need a *fixed* standard of measurement for interchangeable mass production, so we need a money system based on a *fixed* weight of gold. We could not manufacture and exchange goods with each other if we used an inch that continually became longer. And we cannot save and protect ourselves and families if the Federal Government people continually dilute our money so that a dollar buys less and less.

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Let us have hearings . . .

Official hearings on H. J. RES. 355 by the Judiciary Committees of Congress are essential to all Americans, regardless of political affiliations or economic beliefs. The cover illustration by the eminent artist, Cornelius Peet, effectively portrays this theme.

Hearings are essential so that all Americans may know the truth about federal taxing and spending. Knowledge of this fact has impelled many thousands of people to write to Congressman Emanuel Celler, chairman of the House Judiciary Committee, asking that hearings be called on H. J. Res. 355—a practice which should be continued until the hearings are actually called.

Will Congress delay hearings? Is the truth regarding federal taxing and spending to be feared? If so, who is it that fears the truth, and why? Refusal to seek the truth and be guided by it is a betrayal of the public trust.

The American people are slow to anger, but once militantly aware of abuses they become an irresistable force. Not even the combination of Sputnik, Muttnik and Flopnik has diverted the people from their growing revolt against the inhuman "taxnik". This is evidenced by the spectacular growth of tax protest rallies in every section of the nation.

Protests need direction. Organized effort should be made to compel both Houses of Congress to hold hearings and take action on H. J. Res. 355. Similar efforts should be directed toward getting action on identical Resolutions by the Legislature of every State.

H. J. Res. 355 proposes a constitutional amendment which provides:

"Section 1. The Government of the United States shall not engage in any business, professional, commercial, financial or industrial enterprise except as specified in the Constitution.

"Section 2. The Constitution or laws of any State, or the laws of the United States shall not be subject to the terms of any foreign or domestic agreement which would abrogate this amendment.

"Section 3. The activities of the United States Government which violates the intent and purposes of this amendment shall, within a period of three years from the date of ratification of this amendment, be liquidated and the properties and facilities affected shall be sold.

"Section 4. Three years after the ratification of this amendment the sixteenth article of amendments to the Constitution of the United States shall stand repealed and thereafter Congress shall not levy taxes on personal incomes, estates, and/or gifts."

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Conservative Rally Opposes Bureaucracy



By

Revilo Oliver

Reprinted from Oct. 5, 1957 Issue *National Review*

In Chicago on September 13th to 15th some seven hundred delegates from 32 states participated in a convention that may provide American conservatives with their first opportunity in a quarter of a century to change national policy. The three-day series of meetings combined the "National Tax Protest Rally," organized by the Conservative Alliance, with the third annual convention of We, The People. At least 47 conservative organizations were officially or unofficially represented.

The meetings covered almost the whole range of conservative protest. A panel of farmers condemned the increasing collectivization of American agriculture through price and crop controls; teachers and parents denounced the use of public schools to debauch the adolescent mind and implant socialistic superstitions; a group of physicians inveighed against the obvious preparations for socialized medicine, mass medication and psychological brainwashing; business men and taxpayers complained again of the exploitation of the American people by an insatiable bureaucracy, and other panels expressed resentment of the constant attrition of the civil rights of ordinary Americans.

Mr. Dan Smoot plausibly argued that the whole effect of Foreign Aid is to finance the spread of Communism throughout the world. Mr. D. B. Lewis, whose company (Lewis Food Co.), undaunted by Liberal threats of boycott, sponsors Mr. Smoot's weekly program on 58 radio and 25 television stations, reported that his company's business had greatly increased since its sponsorship began.

If one may judge from the meeting in Chicago, the tenor of conservative opinion has changed significantly during the past year. It has become sterner and more forthright—less pessimistic and more aggressive. The majority of those whom I interviewed in Chicago, unlike the majority in Memphis last year, felt that conservatism has at least a fighting chance. Reports from almost all the communities represented suggested that the Liberals may at last overreach themselves. The recent decisions of the Supreme Court that appear designed to protect traitors and thwart the Congress, and the ill-concealed determination of social reformers to destroy the South, have alarmed or angered a signicant number of citizens—particularly young men, who were hitherto politically complaisant or indifferent.

No Deals with Establishment

Before the last election the majority of conservatives spoke hopefully of the possibility that Senator Knowland might be the Republican candidate in 1960. Judging again by the meeting in Chicago, that sentiment has completely disappeared. The concensus was that "Knowland is another Trojan Horse, like Eisenhower." For this change the Senator's recent record is partly responsible, but it is noteworthy that conservatives are no longer in a mood to tolerate a candidate's attempts to ingratiate himself with Liberals on the grounds of "political necessity." If a candidate wishes to command conservative support in the next election, he must not compromise with the Establishment. Whether he can win without such compromise is, of course, another question. But in their present temper conservatives have become wary and skeptical, remembering that ever since they voted for Roosevelt on the strength of his eminently conservative promises, they have repeatedly been tricked by candidates who baited socialistic hooks with conservative verbiage.

Conservative political groups are now more numerous than ever. On the other hand, most of them are small (their representatives are discreetly vague when asked the extent of the membership). Some are internally weakened by scarcly concealed jealousies. Cooperation between them is impeded by competition for members, mutual suspicions, and recriminations. (Fears of "infiltration" and "sabotage" are doubtless exaggerated, but it seems clear that they are not entirely without foundation.) And I must record with regret that the last night of the meetings was marred by two semi-public breaches of ordinary decorum.

The following comments seem in order;

In addition to personal antagonisms and the probable desire of a very few men to convert a minor organization into a major source of personal income, there are more honorable causes of disagreement. To the inevitable dissent about certain principles and the wide variation of views on political strategy must be added this fact: Conservatives differ temperamentally from Liberals: *they tend to think for themselves and to say what they think, and they will always refuse to march in goose step behind a Leader.*

A major division among conservatives is between those who welcome the organization of a "third party" and those who oppose it. The former argue that the Liberal minority has so effectively captured control of both major parties that it will always be able to confront the American people with a choice between the Walrus and the Carpenter; that both Republicans and Democrats began as "third parties" and yet elected Presidents soon after they were organized; and that a great issue and imminent peril can yet stir men to unwonted action. Their opponents somewhat dogmatically claim that "not even one per cent of the people would so much as listen to a third party," and more plausibly argue that if conservatives can build up a precinct organization that is strong enough to elect a candidate in any district, they can with less effort and greater security force one of the existing parties to nominate a truly conservative candidate—whom they might then elect without the risk of "splitting the vote."

The only "third party" in evidence in Chicago was the Constitution Party, which, although not recognized officially, had a small suite in the hotel and discreetly distributed its publications. The party, now under its third national chairman in less than a year, appears to be emerging from a period of internal stress or confusion. Its greatest strength is still in Texas, where it is said to have 125,000 active members, but it

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Signs of Trouble

Condensed from a Speech *By* **Herbert Hoover**

No one here needs to be told that we are in the midst of an inflation movement. Both President Eisenhower and Secretary Humphrey as well as a host of non-official persons have called full warning of it.

You do not need to be told that unless inflation is stopped, the end is a bump.

While Secretary of Commerce, I witnessed a growing inflation movement. I protested vigorously at its promotion by Federal activities. Then I had to live through the agony of its inevitable consequences. Secretary Humphrey says that unless we change some of our ways, we will see "a depression that will curl your hair." Mine has already been curled once—and I think I can detect the signs.

The obvious sign of inflation is the advance of prices, wages, and the cost of living. But another sign is the temperament of some of our economists. Again you hear the same expressions as in the inflation period of 30 years ago—that "we are in a new economic era"; that "the old economic laws are outmoded." I suggest to you that even in a partially free economy, unless we curb inflation on its way up, Old Man Economic Law will return with a full equipment of hair curlers.

There are several things as to Government financial operations of which our people should be more fully awake.

First. The Federal Government spending is much larger than the figures in the annual Federal budget. There is spending on variously-conducted pensions and on some trust funds. And there is indirect spending on projects financed by guarantees and loans. And there is spending by our state and local governments which we must take within our vision. Various responsible institutions have estimated the total of these expenditures during the last calendar year at over $103 billion.

Second. The American people should realize that this spending has to be met with some kind of levies on the people, whether they appear as taxes or under some other guise, and these levies are also estimated at about $103 billion.

Third. They need to realize that this enormous Federal and local spending has some part in this inflation movement.

Fourth. They should also realize that these total levies are taking so much from the people that their savings are insufficient to finance the needs of growing private enterprise to provide 1,500,000 new jobs each year, and to provide homes for the new couples. This is thwarting progress itself. Incidentally the rise in interest rates is an indication of inflation.

Fifth. They should realize that with combined Federal, state and local taxes, we are a long way on the road to socializing the income of the people. Moreover, the form of these taxes is making new individual enterprise most difficult and is driving small businesses to sell out to big business. *And the Government is engaged in a host of businesses in competition with private enterprise.*

The spirit of Karl Marx no doubt rejoices at these phenomena. He recommended some such action as the road to Socialism.

But lest I be misunderstood as to expenditures, let me repeat what I have said many times over the years. The Federal Government should undertake and only undertake, competitive business and public improvements which cannot be otherwise attained by the people or their local governments. There are less of them than some pressure groups would have you think.

Sixth. The American people must realize that they cannot have every social and public works improvement of their dreams all at once, especially in a world where we have to defend ourselves from a monstrous international danger.

At least we should only undertake such ventures in order of their urgency.

Our Commission has made a multitude of proposals for reducing the cost of Government. We have not proposed to abolish or injure any necessary functions of the Government. With the support of President Eisenhower and the Congress a good deal of progress has been made.

Out of scores of further such opportunities to save expenditures I will mention at this time only four.

Our Federal budgeting and accounting is not adapted to these enormous expenditures. Two things have resulted. No one today can tell what the *actual* annual expenditures of the Government really are. And for this reason, and the continuing appropriations, the Congress has lost control of the purse—the very foundation of free men.

The remedy we proposed has been supported by President Eisenhower, the Controller General and the Director of the Budget. Under the leadership of Senator John Kennedy, a bill providing these reforms was passed unanimously by the Senate in the last session. The act was divided into three parts. Two parts were passed by the House and are now law. The key part, however, was deleted in the House. Again under Senator Kennedy's leadership, this legislation has been introduced into the Senate with forty-eight Senators as sponsors.

Here is a spot for the Citizens Committee and the other agencies of reform in Government to express themselves vigorously, for there are savings estimated at over $3 billion to be had. And further, the country and the Congress could then know what the Government really spends each year and the Congress could really control it.

In the face of the Communist threat, we must maintain our military strength. But we need a soul-searching look into the abandonment of obsolete methods and weapons of defense. Beyond that we proposed the effective unification of the common-use business service of the four military departments with a saving of over $2 billion a year. Some admirable steps have been taken by the Defense Department—but there is still a long way to go. I might remind you that unification of these common-use activities was one of the great hopes of the Congress when it enacted the Unification of the Defense Services.

There is another area in which there are billions of dollars to be saved. The turnover in our Civil Service is about 500,000 employees annually—that is twenty-five per cent per annum, three or four times the normal of a well-conducted business. It costs about $3000 to process and to give a year's training to a new employee. If this turnover could be reduced to 200,000, that alone

Turn to page eleven, please

Kill Federal Income Tax

By THOMAS J. ANDERSON
Publisher, *Farm & Ranch Magazine*
Reprinted from Industrial News Review

I believe that the one most important thing we can do to stem the tide of Socialism is to Kill Federal Aid, and that the best way to kill Federal Aid is to kill the federal income tax.

The tax system we are using was conceived by the Socialist Party. Its aim is not the creation of wealth, not the production of more geese to lay more golden eggs. Rather, its aim is to punish; to discourage money-making and venture capital; to level down.

The road we're traveling is the road to totalitarianism, bankruptcy and ruin. How can we avoid it? We've got to get to the cause. The cause of excessive spending and borrowing is the huge, complex federal bureaucracy which has mushroomed beyond the control or comprehension of the people.

Exessive spending and borrowing and taxing can be stopped only through de-centralizing the government and returning to the states the power and responsibility to raise and spend their own money and to govern themselves.

Here's how we can do that:

1. Make it illegal, in peacetime, for the federal government to spend more than it takes in.

2. Kill the federal income tax and return to the states the responsibility to raise their own money.

3. Pay off most of the debt before greatly reducing taxes.* Such a radical change would be hard on the pressure groups, the logrollers, and five percenters. Instead of concentrating on Congress or just one committee, they'd be forced to work all 47 states and Texas. Without the power to tax and the power to borrow, the federal government loses the power to spend. The more money you have to spend, the more power you have. And the more money the federal government has to spend, the more it has over you.

The 16th Amendment gives the federal government unlimited power to tax. The only limit on the government is public opinion. Public opinion has allowed the government to increase its "take" from less than 10 percent a few years ago to 91 percent of a person's income today.

The states could be assessed their proportionate share of the federal budget. The results would, I believe, be phenomenal. The people would see clearly that the money which they used to think of as "Washington" money was really their money. The people would rebel at wasteful spending of their money, at home and abroad. The result would be an end to international boondoggling, hundreds of unnecessary "Federal Aid" projects, and co-op tax advantages—and we'd witness the greatest Washington exodus of government chauffeurs, secretaries, clerks, bureaucrats, and flunkies since the flight of the children of Israel.

You'd have a healthy competition between the states to keep taxes low, so citizens wouldn't move to another state. And you'd end the Federal Aid grab bag whereby thousands of state and local politicians fight for position at the Washington trough for every "free" handout on the excuse "if we don't get it somebody else will." You'd resurrect States Rights. Congress can greatly reduce spending, and taxing, and debt, whenever it wants to. It'll want to only when the people demand it.

I think it's imperative that you get your message understood at the grass roots. For a long time there was a tendency among business people—and there still is—to feel that the way to get things done is by wining congressmen and influencing bureaucrats. The most effective lobby is in the living room of the nation, not in Washington.

If you get the people on your side, you've got the politicians. But not vice versa.

While I doubtless haven't any friends I can afford to lose, I don't worry about losing friends. I don't care about being popular. What I want to be is right. I believe if you're straightforward, honest and right, you'll make friends—the kind of friends you want. My mail is 88% commendatory . . . People crave politicians, editors, businessmen, they can trust. Therefore, if your story is right tell it to them—tell it all.

Free enterprise does not mean freedom to do as one pleases. It means freedom to compete with one another in serving the public better—it means men and women working out their common destiny—not under the lash of coercive authority, but under the discipline of enlightened self-interest and moral responsibility.

Only now and then, among all of us in America, do we find a skilled advocate of free competitive enterprise. Most of us are left speechless in a debate with a socialist, a radical labor leader or any other ardent collectivist. We sputter—but we do not explain!—V. O. Watts.

No man is good enough to govern another man without the other's consent.—*Abraham Lincoln.*

*(Editor's Note: The proposed Constitutional amendment, as prepared in H. J. Res. 355, is intended to provide the answer to all three of Mr. Anderson's solutions to the problem of Federal bureaucratic domination.)

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Creeping Socialism Gallops

By MARTIN J. CONDON, III, President, Southern States Industrial Council

In our recent "Special Release" dealing with legislation to be considered by the Second Session of the 85th Congress, we mentioned the TVA financing plan which has already been passed by the Senate (S 1869) and is pending in the House (HR 4266).

It is our feeling that this is one of the most important measures the Congress will act on. Keep in mind that bills pending at the close of the first session do not die but are subject to immediate action when Congress reconvenes.

According to the proponents of the TVA financing plan its purpose is to permit *"The TVA to issue its own bonds to raise money for expansion of its power system,"* which is perhaps the understatement of all the comments made regarding the proposal.

A more comprehensive statement is contained in the bill passed by the Senate; that is, the bonds are to be used *"for construction, acquisition, enlargement, improvement or replacement of any plant or facility used or to be used for the generation or transmission of electric power, or in connection with lease purchase transactions."*

In order to determine the true intent and purpose of this effort to (1) raise funds for expansion, and (2) denude the Congress of its control through ordinary appropriations, we should keep in mind President Roosevelt's statement that the TVA is more than *"a kind turn for the people in one small section of a couple of states"* and his recommendation that Congress establish the TVA to develop the Tennessee drainage basin *"and its adjoining territory"* and *"the coordination of it with the wider plan."*

This obscure language was interpreted in a dissenting opinion in Ashwander v TVA (1936) as follows:

"The record leaves no room for reasonable doubt that the primary purpose was to put the Federal Government in the business of distributing and selling electric power. . . . A government instrumentality has entered upon a pretentious scheme to provide a 'yardstick' of the fairness of rates charged by private owners and to attain 'no less a goal than the electrification of America.'"

A rereading of the powers set forth in the Senate bill shows no different purpose for the TVA plan than was stated by Mr. Justice McReynolds in 1936; and when these powers are considered in the light of other efforts to establish federal public power control, the effort to attain *"no less a goal than the electrification of America"* becomes all the more clear. In addition, the new financing scheme to implement the powers to be conferred by the proposed bills go far toward explaining the outcry against Dixon-Yates, which would have scotched TVA expansion.

The dangers implicit in this proposed expansion plot are clear. It has been said that the TVA is *"creeping socialism."* If the Congress should enact the proposed TVA financing scheme *"creeping socialism"* will be a snail's pace in comparison with the galloping encroachments of this federal power monstrosity.

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Fact Sheet's eminence is indicated by the growing volume of requests by our institutions of learning for a subscription donation. As an example, Mr. Ralph E. Ellsworth, Director of Libraries of the State University of Iowa, wrote on November 22, 1957:

"We have received a number of issues of your *Fact Sheet* from various well wishers and have found it very useful. I wonder if you would be good enough to send it regularly to the library? We would greatly appreciate it."

In the same mail came a check "for the good of the cause" from G.C.S. (Mass.). It financed a *Fact Sheet* gift subscription to Iowa University. On December 10, 1957, Mr. Ellsworth wrote again:

"It is certainly good of you to arrange for G.C.S. (Mass.) to give us your *Fact Sheet* and I am writing at once to thank him personally. The wealth of information which you have assembled here should prove of great value to students of the tax problem."

There are thousands of institutions of learning which need the gift of *Fact Sheet* so that the younger generation may be exposed to this "wealth of information."

Your gift subscriptions to *Fact Sheet* for educational institutions are fully tax deductible. It is an excellent way to get these documented truths into the bloodstream of public knowledge. Study the scope of the *Fact Sheet* program on pages 13 to 20 of this issue. We know you will then use the form on page 21 to enter a block of gift subscriptions.

COMPETING WITH OURSELVES

An industrial commission in Tennessee has been distributing an attractive brochure entitled "14 Reasons Why Manufacturers Can Profit More in Tennesee." Heavy stress is laid on "low-cost" electric power from the Tennessee Valley Authority. Generally, the brochure says, TVA power rates are 30 to 45 per cent below the national level. It cites an example of a small northern manufacturing plant with a $16,128 annual power bill that could be reduced to about $8,000 in Tenneesee.

This caused the Anderson, Indiana, *Herald* to run a long and significant editorial. The paper said: "What the brochure failed to point out, of course, is that the remaining $8,000 in the northern manufacturer's power bill would be paid by the nation's taxpayers—including the northern manufacturer. . . .

"The truth of the matter is that without the tax immunity that is a part of the TVA existence, it would be TVA itself that would have trouble competing because private enterprise has succeeded in producing electric power as cheaply if not more cheaply." The *Herald* concludes by pointing out that so long as TVA enjoys this tax-free status, the people of its community and all other Americans"' . . . will find themselves competing with themselves in the battle for new industry."

If it is proper for a government agency to offer tax-free and tax-subsidizing power, why shouldn't it offer tax-free and tax-subsidized factories, transportation, raw materials and everything else? What, in all logic, would be the difference?

Complex Planning System Designs Full Government Control

By HENRY PLOWDEEPER
Author, *Liberals and the Constitution*

Origin of Free Enterprise

The phrases "free enterprise" and "laissez faire" originated in protests against attempts to by-pass competition. Guilds, syndicates, mercantilism, government controls and monopolies were used for that purpose. The excuse was that competition resulted in altogether too much waste and confusion.

The protests became embedded in the Constitution. The protections it awarded to property ownership and trade were great victories for the advocates of free enterprise. However, when their Constitution (by interpretation) was converted into them, they were for a while thrown into a disorganized retreat.

Definition of Free Enterprise

Free Enterprise is a system which contemplates that persons for their economic security, depend upon private industry. Unrestricted competition is relied upon to insure efficient management. Government is utilized to keep open the channels of competition and to provide neutral tribunals.

The adjective "free" refers to freedom from government monopolies, favoritism, interference and corruption, and especially, freedom from dependence upon government for food, shelter, jobs, contracts, property and the right to conduct a business.

Under this system private citizens, in exchange for rights in profits, assume responsibility for production and distribution. Financial responsibility is the badge for their authority to develop or discontinue a business, and to specify prices, wages and hours of work.

Maintenance

To maintain Free Enterprise the Forefathers provided for independent courts, elected legislative bodies, and executive branch limited to law enforcement, carefully guarded local jurisdiction, short tenure of office, free speech and a ballot with substantial limitations. These provisions are of a nature which preclude government (political power) from taking charge of enterprise.

The short term of office principle is an example. That provision or principle cannot be honored when government directs business policies to the extent it does today. A government official then represents management. A probable change thereof by elections every two, four or six years, will throw policy into such confusion that economic security cannot survive. Then other nations can readily capture the trade on which it depends. And who will say that the trade for the United States is not in great jeopardy? Military might which is being used to protect it, is constantly frustrated by propaganda.

Independent courts wither away in proportion that government takes charge of business. When private individuals have charge of business, litigation is between citizen and citizen. Government policies then are not involved. The courts are considered to be independent, free from governmental pressure. However, when government takes charge of enterprise, the ordinary affairs of life, such as crops, contracts, wages, prices and hours of work, bring on quarrels between the government and its citizens about policy. Quarrels the citizen cannot win. Administration agents and judges (human beings), naturally, favor the government. Its displeasure is not a basis for promotion. Moreover, before long, any other course will be impracticable. An adverse decision could throw the government's economic policies into utter confusion.

The individual, therefore, whether he is a farmer, merchant, high-school student, or worker will be brushed aside when his interests conflict with governmental programs or policies. Only in theory will he have a day in court. There is no neutral tribunal to hear his case. He has been robbed of a primary weapon of defense—independent courts.

Yet, government officials, prominent businessmen, distinguished scholars, renowned educators, revered clergymen, eminent lawyers, trained economists and influential editors, continue to proclaim that such judges are free and independent, and will not favor the government. But in fact, they are pawns and puppets.

Free speech (criticism of government) withers away when government enters business. Citizens dependent upon government as they are today, occupy a relationship to it which discourages criticism. In addition, when citizens do so rely upon government, the ballot, a phase of free speech, becomes a most effective instrument to displace free enterprise by a welfare state—a one-party system—the preliminary step to collapse because of corruption.

That the United States has drifted far in that direction is manifested in the numerous allegations that elections are mere gestures, and that there is really only one party. It, generally, is too late when it is discovered that "planning" has become so complex that complete government control (communism or totalitarianism) is unavoidable.

The labor and social-tax policies and the ever-increasing debt, can readily create a situation which will force such control. The United Nations is dedicated to that proposition. Leaders in every country (although they deny it) believe that the only solution for world economic problems depends, absolutely, upon complete government control. Hence, the disregard for the impairment of the inalienable rights in free speech and property, for the bankrupting give-away programs, the confiscatory taxes, the usurpations by the executive and the judiciary, the debauched ballot, the shrinking states rights, the subservient legislative body, and the surrender to alien control of vital aspects of sovereignty.

The Objective of Free Enterprise

The objective of Free Enterprise is to give everybody an opportuntiy to earn enough and own enough so that government "help" will not be necessary for them. A comprehensive objective and the foundation of security. But, nevertheless, one that is now often ridiculed and rejected as impracticable and undesirable. However, only persons who are not dependent upon government for economic security are free. Free enough to speak against government policies and to rely upon their own judgment, energy, initiative, integrity and qualifications to make a decent living. How else would one propose to establish enduring government?

Out of government "help" also arises authority to compel citizens by taxation to support persons to whom they owe no legal obligation. Such authority is rightly opposed. A government official's relationship to the tax money disqualifies him legally and morally to perform such a function. Moreover such help always brings with it it oppressive investigators, and judges who support obnoxious government policies. It

Turn to page twenty-seven

Thank You, Sputnik!

By DR. ALFRED P. HAAKE

Sputnik is not sufficient reason for the wave of fear and capitalization of that fear now sweeping into the minds and paralyzing the hearts of many Americans. But, we should be grateful to the Russians for their unintended kindness in awakening us out of our complacency and smug quest of still higher standards of living without the appropriate work and sacrifice that must accompany such a quest. If Sputnik will help us realize what has been happening to the basic principles on which we built our strength and prosperity as individuals and as a nation, we need not feel too badly over our temporary loss of face and the rumbles of rambling politicians who see no further than November of 1958.

We have gone soft as a nation and as individuals, in spite of the terrible price we paid in two world wars to know better. We have listened to the apostles of apostasy who led us to sacrifice principle on the altar of expediency. From the member of the Supreme Court who boldly proclaimed his independence from the fetters of the Constitution he swore to uphold when he took office, down to the moral mote who appraises his yawning belly above his self-respect, too many of us have been willing to let the Constitution of the United States be pushed aside and ignored in the quest of easier ways to get things done and a lower price than work for what we want.

It is not the Russian, with his borrowed or stolen achievements and ideas, developed by his slave labor, in fear of whose attack we need cringe. Russia has the first satellite. So what? She has developed a means and medium of power to push half a ton a thousand miles into space. She could raise havoc with the missiles she might rocket into the air and drop on our cities. And we could destroy her with the atomic bombs we are in position to drop on her from many places and directions —while her sputniks continue their journeys around the earth, unable to come down or drop where their masters wish them to drop.

In a missile-fought war both of us would suffer and possibly be destroyed. The very practical certainty of that is likely to keep either of us from starting on the other. And that is the more nearly true now that we have been given dramatic warning by a little dog journeying around the earth.

But that is not the way we are likely to be destroyed. The Russians have found a surer way, one far less costly to themselves, for they encourage us to destroy ourselves. Lenin and Stalin, and even musty old Karl Marx, should be lifting their glasses in a toast to the "do-gooders," the "Soviet-lovers," and even good but mistaken citizens, who are paving the way for the real and inevitable destruction of America.

"Debauch their currency!", cried Karl Marx, and echoed the other, "as the sure way to destroy them. Destroy their capitalism with high taxes and government spending, government competition with private enterprise. Arouse racial hatreds, build labor dynasties to outweigh industrial and political dynasties. And the Americans will destroy themselves with their growing paternalism and centralization of government, high taxes and higher spending, smothering individuals and States' rights and power in Federal Aid to Education, insidious socialization of medicine, the prostitution of their self-respect and strength in the arms of their welfare state."

There is the real menace to America. And the antidote?

More of the "three R's", science and mathematics, learning to work and think through competition with other students, less of the glamorous furbishments that multiply the cost of building schools. We need a restoration of what we once recognized as "pride of craftsmanship," virtue as its own best reward, sweat, sacrifice and fitness for freedom as the price for the right to exist. We need leaders who do not see God when they look into mirrors, law enforcement for labor leaders as well as the rest of us, and even a Supreme Court which respects the Constitution of the United States. In all fields we need men and women who accept life as a stewardship at the hands of God.

We can stop worrying if we will really go to work.

Erratum: On the next page (11) the article with the heading "Instrument of Tyranny", should have been titled "Government Economy". The caption belongs to another article. Sorry!

Great people are not affected by each puff of wind that blows ill. Like a calm sea or a great tempest.—*George Washington.*

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SIGNS OF TROUBLE . . .

Continued from page six

would produce a savings of over $5 billion a year.

Another cause of this turnover comes from the failure of government service to attract and hold men and women who have developed unusual administrative abilities. With inadequate pay for top executive skill and the uncertainty of promotions, our best employees become the easy recruits of private business. In consequence many services are left to be administered by deadwood. President Eisenhower has approved our proposals.

The Federal Governoment is engaged in a multitude of business enterprises in competition with private business. As a whole, they pay microscopic taxes — either Federal, State or local; few of them pay interest on government capital and still fewer amortize this capital. Any strict accounting would show, as a whole, that they are a burden on the taxpayer and that they deprive the government of taxes that would be paid on the same service by private enterprise. Some headway is being made on getting rid of them but there is still a long way to go.

And now I will disclose to you who is most responsible in these unnecessary and wasteful expenditures. They are opposed by some Government employees. But the most important opposition is the pressure groups who operate among our people. Many of their names are on the Federal register of lobbyists as required by law. Others of them operate strenuously on Senators and Congressmen and the public in the field. There are probably more than a thousand of these pressure groups, working day and night, to get what they call "theirs." So far as I know there is not a name among the registered lobbyists whose purpose is to *decrease* public expenditures. I know of only two private organizations in Washington working to reduce expenses and taxes.

I suggest to you, the American people, that each of you examine yourself as to whether you belong to any pressure group asking for Federal spending. If you value your own safety and future peace of mind, just resign from it—and do it loudly.

So far as our internal economic forces are concerned, I have no fear of a serious depression—if we can stop the march of inflation.

INSTRUMENT OF TYRANNY

In the view of Vice President Nixon, military preparedness "must always take priority over the understandable desire to reduce our taxes."

Practically everyone in the country will agree with that—especially in the light of Soviet rocket achievements.

However, this certainly does not mean that there is no longer any point in talking about government economy. It should, instead, mean that every possible frill and nonessential in government is now to be cropped down to the root. And an excellent place to start would be in government activities in the field of commercial business. Most of these run at big losses. If they were returned to private enterprise, where they belong, all the financing would come out of private capital and private savings—and, to frost the cake, government would get big new tax revenues that could prevent tax increases or be the basis of tax reductions.—*Industrial News Review.*

"It would be a dangerous delusion were a confidence in the men of our choice to silence our fears for the safety of our rights. That confidence is everywhere the parent of despotism. It is jealousy and not confidence which prescribes limited constitutions, to bind down those whom we are obliged to trust with power. In questions of power, then, let no more be heard of confidence in man, but bind him down from mischief by the chains of the Constitution."

—Thomas Jefferson, 1798.

• A Reminder

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Social Planners Seek Complete Control



Harry T. Everingham

Publisher of *The FACTFINDER*

Excerpts from "16 Years for Freedom"

Whatever disappointments were expressed in the recent episodes in which Russia successfully launched a satellite and Americans suffered loss of face when their own attempt met with failure, Harry T. Everingham, publisher of *Factfinder* for 16 years, reminds us that during the war years after Pearl Harbor, war workers of America produced more materiel than all the rest of the free world combined!

He also points out "During the war Communist agents, operating as our allies, sent to Russia, via airlift, every important blueprint they wanted from our U. S. Patent Office. They were even allowed to take away our atomic materials, our money plates and official paper on which to print our currency. (Read *Major Jordan's Diary.*)

"After the war we learned that Soviet spies had not only stolen (or been given) the plans for our atomic bomb, but also our radar, guided missile and space satellite secrets. They could never have done it, without American traitors who helped them.

"But those traitors who gave our defense secrets to Russia were only 'penny ante' plotters, compared with those who would now destroy our entire free enterprise system that has made us so strong as a nation and so prosperous as a people. They are the real traitors in the cold war."

According to Everingham, the socialists started scheming during World War II working toward the "welfare state". This would put them in complete control over our economy. Under war measures continued into peacetime, they weaken our economy to re-distribute the wealth of America.

Today the Federal graduated income tax takes from 20% up to 91% of a person's earnings. "This was one of those schemes for re-distributing wealth. And yet, who pays the bulk of the income tax today? The wealthy? No, there are not enough of them. Over 85% of all the money collected by the income tax comes out of the lowest bracket. The demagogues are now giving it to 'the underdog'—in the neck."

The socialists say that all business men are subject to greed, therefore government men should be allowed to take over and run everything. Harry Everingham thinks otherwise. "If we put them over everything, who would supervise and watch them? That would be the surest way of putting our head in a noose. . . . Our profit system is being destroyed today by the extent of our Federal government's socialistic spending and taxing program since World War II. The 'social planners' are destroying good paying jobs needed to keep . . . from becoming downtrodden. Today, through all-time high taxation, we are actually being downtrodden by the dishonest politicians who promised to 'save' us."

The *Factfinder* blames the mirage of prosperity on planned inflation. "They have increased our living costs over 50% since 1939. With people earning 50% more money, things look good, BUT—they forget that the buying power of their savings for their old age has been watered down to less than 50% of what it was. If this continues, *every dollar they put away 'for a rainy day' may buy only 5c worth of food when that day comes.* The same is true of money we must spend for defense. And they increase our national debt by giving our money away so that other nations can reduce their debts!

"Practically all of the budgetary planning and the spending and taxing policies of our government are planned and executed by political appointees. They were never elected by us, the taxpayers, who must foot the bill, but are kept in their jobs by the protection of civil service."

Are we powerless to deal with this coterie of bureaucrats? "Our future economic security and freedom itself lie in the hands of these men whom we cannot remove from office by any election. Furthemore, we are told that most of them have never succeeded in any business or career outside of government. . . . Before they make us, the American people, the downtrodden, we must: 1) Change civil service laws so that they do not protect the enemies of America. 2) Get the government out of all activities competitive with private enterprise, thus cutting governmental costs enough to accommodate 3) Repeal of the 16th (income tax) amendment.

"Only then can we save our American system of free enterprise, to protect our jobs, our opportunities, our savings, and our future prosperity and security for ourselves and for those we love."

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COMPLAINING ABOUT TAXES? Taxes are the price we pay for the government we get. We can reduce taxes in exact proportion to the reduction we make in the non-essential and unauthorized functions of government.

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THESE BUREAUCRATIC EMPIRES grow at such a pace that our staff and facilities have been unable to maintain a full record of their activities, but we believe the information sources shown qualify each for listing herein.

THIS LIST OF UNAUTHORIZED ACTIVITIES is essential information if we are to effectively instruct our elected Federal and State Representatives in ways and means of cutting costs of government so that we may obtain Constitutional reduction in taxes and a return to basic Americanism.

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The information contained in this first issue of FACT SHEET is an index to all future issues of FACT SHEET. Each succeeding issue will treat specifically upon one or more of the indexed Federal Corporate Activities, giving its history, its record of competition with Free Enterprise, its costs of operation—*costs which come from the taxpayer's pocket*—and its bureaucratic geneaology.

Subscribers to FACT SHEET may, by special request, obtain a concise statistical and reportorial service on any Federal Corporate Activity listed herein, specially prepared for their specific purpose. Nominal professional research fees are charged for this service. Information may be obtained by writing WILLIS E. STONE, *Publisher*, FACT SHEET, P. O. Box 2948, Hollywood 28, California.

THE FIRST FACT SHEET

It took years of research to gather and cross index information on more than 700 federal corporate activities listed herein. This represents the first tangible effort to identify and evaluate methods and technics of the bureaucratic empires invading our private enterprise system.

Knowledge of these bureaucratic activities, their extent and their purposes, begins to equip us with the capacity for meeting the most vital issue of our time. The real power, however, depends upon the thoroughness with which the information is circulated.

Each succeeding issue of **FACT SHEET deals** with a specific federal corporate activity. Volume one, initiated by this first **FACT SHEET**, will consist of 50 issues. Subscriptions starting with Volume 1, Number 1, includes a handsome ring binder to hold the entire series.

While this series of reference material will prove of enormous value to you individually, it will be equally effective as a reference point for business, commerce, industry and in schools, and libraries across the land.

Your help is needed to put this material into general circulation so that these truths may be known by all the American people.

These are direct losses to taxpayers identified in the first 12 periodic FACT SHEET reports:

☆ Vol. 1, No. 2	ABACA PRODUCTION AND SALES	$ 28,865,086
☆ Vol. 1, No. 3	CUBA NICKEL COMPANY	90,249,000
☆ Vol. 1, No. 4	ESKIMO DWELLINGS	1,580,000,000
☆ Vol. 1, No. 5	PASSAMAQUODDY—Since 1956 only	2,184,000
☆ Vol. 1, No. 6	RAMA ROAD	12,000,000
☆ Vol. 1, No. 7	TEXAS CITY TIN SMELTER	38,700,000
☆ Vol. 1, No. 8	SUGAR ACT PROGRAM—	
	Lost in taxes	383,643,776
	Lost to cartel	1,544,400,000
☆ Vol. 1, No. 9	VIRGIN ISLANDS CORPORATION— 6 years only	13,236,457
☆ Vol. 1, No. 10	ALASKA RAILROAD to June 30, 1954	59,786,081
☆ Vol. 1, No. 11	TVA FERTILIZER PROGRAM	126,433,493
☆ Vol. 1, No. 12	FEDERAL CROP INSURANCE CORP.	203,324,731
☆ Vol. 1, No. 13	ISLAND TRADING COMPANY OF MICRONESIA and the TRUST TERRITORY (10 years only)	50,000,000

Total taxpayer loss revealed through FACT SHEET No. 13..$4,133,222,624

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Numerals before symbol indicate year of Document; numerals following symbol indicate page number

MISCELLANEOUS REPORTS

BUD—Budget of U. S.
CR—Congressional Record
fn—Foot note
GM—U.S. Government Organization Manual
SA—Annual report of the Secretary of Agriculture
ST—Annual report of the Secretary of the Treasury on the state of the finances
SI—Annual report of the Secretary of Interior
SD—Annual report of the Secretary of Defense
410 S.D.—U.S. Contributions to International Organizations, House Document 410, 83rd Congress, Second Session
32 S.D.—Inventory Report on Federal Real Property in the U.S., Senate Document 32, 84th Congress, First Session
Ex-Import Bank—18th Semi-annual Report to the Congress, Jan.-June 1954
Rubber—Sixth Annual Report by the Secretary of Commerce
Int-Organ—International Organizations in which the U.S. Participates, 1949, State Dept.
(Abolished?) — Ordered abolished but apparently still operating.
(Liquidated?) — Ordered liquidated but apparently still operating.

HOOVER REPORTS

Commission Reports
A—Final Report to the Congress
BA—Budget and Accounting
BE—Business Enterprises
BO—Business Organizations of the Department of Defense
CS—Personnel and Civil Service
DU—Depot Utilization, Warehousing and Storage
FC—Food and Clothing
IA—Intelligence Activities
LA—Lending Agencies
LS—Legal Services and Procedure
MS—Federal Medical Services
OO—Overseas Economic Operations
PM—Paperwork Management, Part I—In the U.S. Government
PMII—Paperwork Management, Part II—The Nation's Paperwork for the Government—An Experiment
RD—Research and Development in the Government
RP—Real Property Management
SP—Surplus Property
TR—Transportation
WR—Water Resources and Power, Vol. I
WRII—Water Resources and Power, Vol. II

HOOVER TASK FORCE REPORTS

TBA—Budget and Accounting
TCS—Personnel and Civil Service
TFC—Food and Clothing
TLA—Lending Agencies
TLS—Legal Services and Procedure
TMP—Military Procurement
TMS—Federal Medical Services
TOO—Overseas Economic Operations
TPM—Paperwork Management, Part I—In the U.S. Government
TPMII—Paperwork Management, Part II—The Nation's Paperwork for the Government
TRP—Real Property Management
TSP—Surplus Property
TWR—Water Resources and Power, 3 Volumes
CBE—Business Enterprises of the Department of Defense
CDU—Depot Utilization in the U.S. Government
CPP—Special Personnel Problems in the Department of Defense
CRA—Research Activities in the Department of Defense and Related Agencies
CTR—Transportation
SBE—Business Enterprises Outside of the Department of Defense

A Comprehensive Index to
The Federal Government's Corporate Activities

NOTE: *Number preceding symbol indicates year of publication; number following symbol indicates page number.*

—A—

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What of the YOUNGER Generation?

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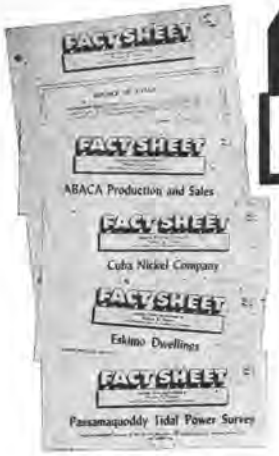
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This is a process that must be stopped, for it can only destroy our free, competitive private enterprise system. And it must be stopped soon, for anyone who has watched the tidal wave of government control over private business knows—

IT IS LATER THAN YOU THINK!

Pick-Pocket TVA

By GEORGE PECK

In a recent editorial my colleague, M. V. Eggleston, referred to the Tennessee Valley Authority as a "stick-up." A reader has taken violent exception to this classification of what the socialists designate as a "yard-stick." Says the reader in part, in a letter, for some unknown reason addressed to me rather than to Eggleston whose "stick-up" aroused his ire:

". . . . I believe in free speech and freedom of the press, but when a newspaper columnist refers to our Federal Government, or any agency thereof, as a 'stick-up,' that is going a bit too far. The use of such intemperate, almost libelous language is, to say the least, a violation of the ethics of free speech and free press. I hope you will use your influence toward having M.V. Eggleston make a retraction and apology for this unwarranted mud-slinging."

Well, as the late Al Smith was wont to say, "let's look at the record." A look at that record and a careful examination of all the facts convince me that Eggleston, far from being intemperate in castigating TVA as a "stick-up," was using a mild epithet to describe that socialistic monster.

Turning to my trusty, well-worn Webster's Dictionary, I find that a "stick-up" is defined as slang for a "hold-up." A "hold-up" is defined as slang for "An assault for the purpose of robbery." Webster then defines a "robery" as a "theft," and "theft" as "larceny". And now we come to the meat of the coconut: Webster says that "larceny" is "the taking of property without the owner's consent . . . , it usually implies a *surreptitious, concealed taking, as in pocket-picking.*"

Now for the benefit of those who may not have been privileged to read it, a quote of part of the column entitled "Stick-Up" seems to be in order. Said my colleague:

" . . . I have before me a table giving the actual figures that the people of the various states have been *forced* to contribute in taxes to build and maintain the tax-free Tennessee Valley Authority.

"Of peculiar and particular interest to me is the amount that has been *mulcted* from the taxpayers of my own state, Florida. We Floridians have donated $27.5 million to make it possible for the Federal Government to sell 'cheap' electricity to the people of the Tennesee Valley. . . .

"The TVA has been proclaimed by the public power fanatics as a 'yard-stick.' . . . A better name would be 'stick-up'—because that's just what it is for every U.S.A. taxpayer located outside the area it serves."

As is the case with Eggleston, I'm a Floridian. No one consulted me as to whether I was willing to pay a part of the electricity bills of the customers served by the Tennessee Valley Authority. But I did pay and am paying such part—not voluntarily I assure you. The $27.5 million that collectively we Floridians have paid toward subsidizing "cheap" power for TVA's customers, has been a "surreptitious, concealed taking," on the part of Uncle Sam as that elongated, bewhiskered old gentleman has indulged in some very fancy "pocket-picking."

No, Mr. ———, I do not think that any retraction or apology should be forthcoming from my associate, M. V. Eggleston, for calling the Tennessee Valley Authority a "stick-up." Such was realistically calling a "spade a spade." Personally, however, I prefer to refer to TVA as a "Pick-pocket." After all, a "stick-up" man has the courage to openly confront the victim of his depredations. On the other hand, the sly "pick-pocket" surreptitiously sneaks his hand into the pocket of his victim —and that's exactly what TVA is doing to each and every "taypayer located outside the area it serves."

So take your choice as to what to call TVA. Misquoting Shakespeare: "A robber by any other name would steal as much."

The defense rests.

A South American editor defined an international conference: "A meeting of several nations called for the specific purpose of getting some more money out of the United States."

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Taxpayers' Victory

By Willis E. Stone



FACT SHEET, a new publication which has just released its tenth issue, appears to fill a very important role in the effort to revitalize the American free enterprise system.

Proof of this is contained in an Associated Press dispatch bearing a a Washington date line, released September 20, 1957, which announced the contemplated disposal of the Cuba Nickel Company by the Federal Government.

Located at Nicaro, Cuba, this federal corporate activity has consumed a hundred million of our tax dollars. It was the subject of an analysis by *Fact Sheet* just a few weeks before the decision to sell was announced.

Congress is to be complimented on its ultimate discernment. Readers of this column will recall that a few years ago, I wrote about the Cuba Nickel Company in this column. Up to that time the public was completely unaware of the fact that 100,000,000 of their tax dollars had been dumped into this activity. Not a single word concerning this federal corporation has ever appeared in the U. S. Government Organization Manual which is supposed to list all governmental activities.

Nor did the Cuba Nickel Company receive attention in the Budget of the U.S. One single unindexed reference to this organization has appeared in recent years in the Budget, and that was a single unindexed paragraph on page 1180 of the 1956 Budget which stated:

"The Government owned nickel plant at Nicaro, Cuba, is being expanded from 14,000 to 24,500 tons annual capacity of nickel production at a cost of $43 million, and will be completed by the end of fiscal 1956. Contracts have already been executed by General Services Administration."

Following publication of this information in this column, someone in Congress apparently took a look at those contracts and Mr. Paul Mansure of the General Services Administration quit under fire during the investigation which followed. Public opinion was quieted and everything remained peaceful for a while. Then the *Fact Sheet* analysis of the Cuba Nickel Company appeared a few weeks ago.

Again exposed to public view, the bureacrats in Washington seemed reconciled to the loss of this political empire, lush as it may be, because public opinion, once aroused, is invincible and there appears to be no logical defense for the invasion of a foreign nation so that a federal agency can go into the mining business.

The cost of the Cuba Nickel Company has been gigantic. We will probably never know the full extent of it. FACT SHEET Vol. 1, No. 3, indicated the loss exceeded 90 million tax dollars. Liquidating this activity and eliminating the losses will reflect to the advantage of every American in many ways.

It will be one less area in which interest free, rent free, cost free and tax free bureaucratic empires attack the private enterprises of our citizens. It will directly and indirectly cut the cost of government by ending the vast hidden costs and losses incurred by the Cuba Nickel Company.

It will tend to cut YOUR tax bill because your taxes are the price you pay for the government you get, so with less spending there is less need for taxes.

This is basic arithmetic—and it applies to everyone of the more than 700 federal corporate activities listed in FACT SHEET No. 1. It is hoped that Congress will pursue the course of investigating, and abolishing, all such activities.

While it is good news to learn that the Cuba Nickel Company is to be sold, it points up the fact that we can, if we will, abolish the entire list of federal corporate activities which have taken over 40 percent of the land area and 20 percent of the industrial capacity of the nation. This can be done when we, the American people, demand and get action on the "Proposed 23rd Amendment" now pending in Congress as H. J. Res. 355. It provides that:

"Sec. 1. *The government of the United States shall not engage in any business, professional, commercial, financial or industrial enterprise except as specified in the Constitution.*

"Sec. 4. *Congress shall not levy taxes on personal incomes, inheritances and/or Gifts.*"

—AP—

Investors League Bulletin characterizes the Tenessee Valley Authority as ". . . the greatest milking machine. . . ." in our history. TVA, it adds, has milked the taxpayers to the tune of more than $1,500,000,000 over the past 25 years.

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INSPECTION OF FACILITIES INVITED

The American Way

By JOHN T. FLYNN, *Author, Lecturer, Radio Commentator*

Inflation—How and When?

If you find yourself sojourning in Washington, you will very soon become aware of the endless discussion on a very dangerous subject. It is called "inflation." Generally it means that the vast streams of money flowing around are losing their value. A dollar won't buy nearly as much as it once did. But let us be clear on what we mean by money. If you ask how much money is on deposit in all our banks you will find that while there is about 31 billion in cash drawers and wallets there is about 215 billion on deposit in banks.

Now you may ask—how can there be 215 billion dollars on deposit in the banks when there is only 31 billion dollars of actual money in this country? The answer, of course, is that this enormous sum of 215 billion dollars on deposit in the banks is made possible through the force of that dangerous element known as inflation. What can be done about this inflation? And what is the process by which 31 billion of real money can be translated into 215 billion of bank money flowing around through all the agencies of trade?

In searching for the answer it is first necessary to know the very simple process by which bank deposits are created. This process can be dangerous, of course, but not if it is understood and used within rational limits. And for this purpose the Federal Reserve Board and Federal Reserve Banks have been set up to police this operation—and to ensure that it is not carried to excess.

Now to understand this, you must understand that when a depositor borrows $10,000 from his bank, he is not given $10,000 in cash. He signs a promissory note for $10,000 and presents this to the bank's cashier. The cashier does not hand him $10,000. He takes the note for $10,000 from the depositor—a promise to pay at some future day—and he then writes in the depositor's bankbook that he has $10,000 added to his deposits. And, of course, the bank itself owes the depositor $10,000; that is, it agrees to cash his checks up to that amount. I repeat, this system is perfectly sound, so long as it is wisely policed.

However, there is another performer in this transaction who must be closely watched. That is the Federal Government. And the government, in these last 15 years, has used this mechanism in the banking system to borrow over 100 billion dollars. At present, the Federal Government is the biggest borrower from the banks. The government owes the banks more than all the private individual and corporation borrowers put together. And this must be adjudged a gravely dangerous performance—doubly so since it is the device used by our Washington politicians to borrow and borrow and spend and spend on incredible activities in some sixty countries all over the globe.

The practice is obviously dangerous. It is a scheme of desperate politicians to create money. The old-fashioned device for creating inflation consisted in setting the printing presses to work turning out the printed bills at whatever speed was needed to create or keep alive a phoney boom. But this is a little too crude in our present world. However, the new system is not essentially different. Instead of printing five and ten and hundred-dollar bills, the government prints a $100 or $500 or $1000 bond, which is a promise to pay these sums sometime in the future. The government then turns on the heat, appeals to the patriotism of the people to buy them, and then forces the banks to buy them in quantities. The government induces the bank to "buy" these bonds and to pay for them by giving the government a "deposit" to cover the "price" of the bond.

At some time or other almost every country in Europe has turned to this dangerous device in one form or another. And now we have it in operation here. The banks have been induced to take around 100 billion dollars in Federal bonds which are paid for by giving the Treasury a "deposit" for a very large part of these inflationary bonds. And thus, by appeals to the banks plus adequate pressure, by printing bonds and swapping them for bank deposits, and by other devices, this government has managed to keep a dangerous and inflationary boom afloat.

The federal government owns billions of dollars worth of businesses that are not paying taxes. It takes our tax dollars to keep them operating. These should be sold and applied to public debt . . . Six to ten billions in taxes could be saved in this manner.—Lake City (Iowa) *Graphic*.

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BOOKS

MENTAL ROBOTS—by Lewis Albert Alesen, M.D., The Caxton Printers, Ltd., Caldwell, Idaho. Price $1.50.

By MARY CAIN

Dr. Alesen, a past president of the Los Angeles County Medical Association and California Medical Association, and immediate past Chief of Staff, Los Angeles County General Hospital, speaks in this book with the voice of authority on a subject that becomes increasingly serious as the passing days bring to light new stories of sins committed against sane American citizens in the name of "Mental Health".

Excellent physician that he is, Dr. Alesen looks first at the problem of Mental Health, recognizing that there is certain need of help in the field. He then proceeds to analyze the case for and against mental health, and in such chapters as "Blueprint for Slavery?", "Legislation"; "Robotry—The Modern Witchcraft", "The Flight From Responsibility", and "The Tools of Robotry", he proceeds to analyze the national ailment, pinpoint the good and bad parts of existing legislation; and then, as would a reputable diagnostician, sets forth the cure, or "the solution".

Such a book is this, *Mental Robots* written by a man who is an authority and a voice of sanity in a world presently dominated by psychiatrists who need to heed the ancient admonition, "Physician, heal thyself!" To sane, healthy, normal human beings, the shoe is on the other foot; it is the psychiatrists who are really "mentally ill."

NINE MEN AGAINST AMERICA—Reviewed by John T. Flynn, in *American Way*.

The real mischief which has come out of the packed (Supreme) Court is that the Constitution of the United States has been torn to pieces. All those great limitations on the dangerous powers of government have been almost completely wiped out of the document. As a result we see our Washington government exercising powers it has seized from the sovereign states, passing out money, policing fifty or sixty European and Asiatic countries with our armies all over the world. There is not one word in the Constitution which empowers the federal government to tax the people of this country to pay the bills for running other countries. All this spending is supposed to be to protect us from the Communist menace. Yet the Supreme Court of the United States in the past few years has wiped out practically all our defenses against the communist conspiracy here at home.

There has just appeared in print a 24-page pamphlet which describes with terrifying clarity this story of the shocking and lawless usurpation of power by just nine men. All the invasions of power by the government have been made possible by the assault on our Constitution by the Supreme Court. This pamphlet describes with dramatic clearness the whole shameful story of this usurpation of power by the Supreme Court.

I would urge any American interested in his country to get a copy of this pamphlet. It is called *Nine Men Against America*—the story of the Supreme Court and its attack on your liberties—by Rosalie M. Gordon. It can be obtained by writing to America's Future, 542 Main Street, New Rochelle, N. Y. The price is $.25 per copy.

CITADEL, MARKET and ALTAR, by Spencer Heath. $6.00, The Science of Society Foundation, Inc., Roadsend Gardens, Elkridge 27, Md.

A long-time student of sciences, the philosophy of law and data of history, Spencer Heath retired early in middle life from engineering research and patent law to pursue his avocation of horticulture, and to research into foundations of the natural sciences. This last is what inspired him to a similar examination of the organic relationships among men and to make what he sometimes refers to as his "research engineer's report" in the form of *Citadel, Market and Altar*.

Every organization, great or small, living or non-living, owes its growth and strength and length of days to the spontaneous reciprocal relationships among the basically similar units of which it is composed.

In the light of this universal rule and taking freely acting men as his units, the author sets out the nature and autonomous operation of the evolving free society, its unique function and transcendent powers, and how its modern market technology of free enterprise can provide *public as well as private services at a profit* (in place of chronic debts and deficits) through free contractual engagements.

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FULL GOVERNMENT CONTROL

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grants citizens with "pull" more than they are entitled to, neglects neutrals, and persecutes those resisting its policies, even for writing books.

A major objection to such "help" is that when human beings are aware that it is available, their intelligence, initiative and energies are directed toward getting it. The impulse to be self-supporting is transformed into an urge to be a beneficiary. Those who cling to "old-fashioned ideas" are hopelessly outplayed in the game of life. The cards are stacked against them. Good judgment, efficiency and integrity are penalized. Accordingly, God and country become second-class commodities, and for sale on the bargain counter.

Distinguished from Government Enterprise

The present economic structure in the United States is not Free Enterprise. It is described as "mixed-enterprise"—probably not enough regulation to be communism, socialism or totalitarianism—but too much regulation to be free enterprise. Prior to the 20th century such a set-up would be considered, at least, extremely socialistic or communistic.

Under free enterprise systems the owner is entitled to such profits as he may make. This is granted to him because his investments are subject to complete and permanent loss through competition, inventions, poor judgment, miscalculations, catastrophes, war, legislation and court decisions. Unlike a government official, he cannot compel (tax) citizens to support programs or to overcome losses. He cannot call upon the armed forces, nor can he make the laws, appoint the judges, or execute employees for refusing to obey orders, or for producing too much or too little.

His responsibilities and limitations, are the basis for giving his judgment the right-of-way to protect public welfare through the promotion of business.

Those who advocate the present-day forms of government rely upon the judgment of public officials. Their judgment is accepted on the theory that they are not under a profit-motive and that ballot influence will drive them in the right direction. The judgment of the persons financially responsible for business is discounted on the ground that they are too greedy for profit.

For instance, the labor laws are predicated upon the assumption that industrialists are so bent upon making profits that they have no concern for public or employee welfare. The result of that legislation has been that government and union officials, notwithstanding the lack of financial responsibility, practically dictate the major policies of industrial empires. That cannot be a trustworthy basis for economic security.

The so-called business plans of a government official are not upset by competition, inventions or catastrophes. Legislation and court decisions support him. And no one is in a better position to take an advantage at the expense of the tax-payers. Common sense would seem to suggest that a person so power-invested with so many immunities, so many privileges and so little financial responsibility, could hardly be a good bet that he would give public welfare a preference.

The Forefathers therefore tried to build a constitution which would curtail such power as much as possible.

Comparison of Hardships

Hardships are inevitable. It is impossible to underwrite a progressive civilization without inflicting on many persons forfeiture of health, failure of childhood ambitions and deferment of marriage and other comparable sacrifices.

Progress may pay tribute only to merit and ability. Payment in compliance with that rule is a cruel and hard obligation. Commerce complies with it when it demands that what it has to offer be produced the quickest, cheapest and best way possible. It is the rule of war. To soften it jeopardizes security's foundation.

Under Free Enterprise it is enforced by a private citizen, a person subject to laws and courts. When a government official enforces that rule, it is by a person dressed in sovereignty. That such a person will be oppressive, arbitrary, self-righteous, unreliable and unjust is a lesson taught by the Declaration of Independence. The constitutional limitations imposed on governmental authority prove that the Forefathers had grasped the full significance of that lesson.

Contrary to the fundamental Principles of Free Enterprise, the present forms of government by taxation obligate the citizen to furnish financial assistance to all who may be in need. Not even an earthly god is available to enforce it. It is to be enforced by a human being, posing as a statesman, and irresponsible by reason of sovereign authority. He will surely devise a plan which only covers the needs of favorites and certain voters. His plans will force him to spend tax money, which if so spent by a private citizen would result in a jail term for embezzlement or wanton and wreckless use of funds entrusted to his care.

The taxpayer, therefore, has fastened on him tax burdens which will

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CONSERVATIVE RALLY OPPOSES BUREAUCRACY

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has just opened headquarters in Washington, D. C., and claims to be making significant progress in several states. In California, where the party claims that 50,000 voters are registered at the polls as members (so that it is now entitled to a place on the ballot in the next election), it appears to have been made the target of a weird political stratagem. I have seen letters, couched in a gushing and intimate style, that have been sent to women members of the party by writers who identify themselves only as "Mary" or "Elizabeth," and profess to have discovered that the party is dominated by "hate-mongers" who served in the Army during the recent war and are therefore planning, as soldiers will, a military *coup d'état* complete with "blood running in the streets." Despite this flamboyant touch, the letters were evidently devised with some acumen, for every woman probably knows a number of Marys and Elizabeths whom she cannot otherwise identify.

This much emerges clearly: Conservatives in the United States, particularly west of the Alleghenies, are becoming somewhat more articulate and positive. And the real significance of the meeting lies in the possibility to which it points, of concerted and successful political ation based on one issue, the income tax.

Three essentially different propossals concerning the income tax were represented at the meeting: 1.) a constitutional amendment that would limit the maximum rate of taxation to 25 per cent; 2.) plans for a gradual reduction of both personal and corporate taxes such as those proposed by the National Association of Manufacturers, Congressman Sadlak, and Mr. Sartell Prentice, Jr.; 3.) repeal of the Sixteenth Amendment and, thereby, abolition of all federal taxes on personal income. At the opening of the meeting on Friday, as nearly as I could ascertain, less than half of the delegates were inclined toward the most drastic of these proposals, but it was eloquently and cogently championed by three principal speakers, Congressman Ralph W. Gwinn of New York, former Governor J. Bracken Lee of Utah, and Willis E. Stone, president of the American Progress Foundation. By the end of the sessions repeal seemed to have won virtually unanimous support.

The conservatives' radical remedy for our national affliction will undoubtedly be met with considerable incredulity. For all that the graduated income tax was recommended by Karl Marx as the most expeditious means of liquidating civilized society, that tax is now generally accepted in the United States as a necessary evil—partly because we have grown accustomed to the bipartisan policy that "we tax to spend to elect to tax to spend to elect," and partly because even those who do not receive bribes from the federal Treasury generally believe that without this form of taxation the operations of the federal government would somehow be impossible.

Political Dynamite

The cogency of the new proposal therefore depends in large part on the accuracy of the statistics compiled by Mr. Stone. His elaborate tables indicate that in 1954, for exemple, the 740 federal corporate activities that operate in direct competition with private industry and ownership cost the nation approximately $28.5 billion, while foreign aid cost $4.7 billion. These two unnecessary and injurious expenses amount to almost $700 million *more* than the total revenue from all personal income taxes ($32.5 billion). It can thus be said that more than the entire revenue from the income tax was used to finance domestic and foreign socialism, and that, in consequence, no part of it was used for national defense or any other legitimate government activity.

Mr. Stone further calculates that the property acquired in recent years by the federal government, comprising 20 per cent of the nation's industrial capacity and 40 per cent of its land, could within a few years be sold to private investors for at least 22 per cent of its book value, thus retiring some $50 billion of the public debt. He further calculates that the increase in revenue from existing taxes would provide a surplus of about $4 billion per annum which could be applied to continued retirement of government bonds without the slightest diminution in the present rate of expenditures for armaments, Presidential helicopters, and other national necessaries and luxuries.

If Mr. Stone's figures are correct the income tax is manifestly unnecessary and obviously calculated to promote political corruption and social revolution. The conservatives will thus have a program that can be presented clearly and persuasively to every audience, and that will offer to every voter the prospect of a definite cash return that he can compute for himself. Many of the re-

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CONSERVATIVE RALLY

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cipients of governmental bribes would discover that they could make more money by not selling their votes and their birthright. This could be political dynamite.

All the speakers agreed in identifying the income tax as the root of political evil. Congressman Gwinn bluntly declared that "we have become one of the worst of the socialist nations," with our moral guilt only aggravated by the hypocritical and ridiculous pretense that we are a "free nation" and the champions of human freedom. He predicted that most legislators would, at least in their hearts, welcome relief from the monstrous corruption and systematic terrorism of the Establishment.

Governor Lee saw in repeal of the income tax the assurance of two benefits that far outweight the financial. It would abolish the legions of snoopers and bullies who have come to regard American taxpayers as their serfs, and use their authority as an instrument of corruption, since some major bureaucrats are known to disdain even the formality of filing a tax return while outspoken critics of the Establishment are frequently singled out for special attention and harrassment. But the primary purpose of repeal is to cripple the bureaucracy.

By its very nature a bureaucracy is inevitably the enemy of human freedom and decency. Like cancers and other malignant evils, its nature compels it to grow without limit until it has destroyed its victim. Each cell of this malignancy is a little man behind a big desk, whose natural human ambitions can find an outlet only in the quest of more power, so that he instinctively spins his web about a citizen as the spider spins hers about a fly; and if he occasionally gobbles one of his fellows, it is only to breed more of his kind.

This is a fact of nature, and even if we grant that the bureaucrat and spider may in their own minds identify their appetites with noble purposes, the victim can escape only if he breaks the web. Repeal of the income tax will not, to be sure, abolish bureaucracy, but it will reduce it to more manageable size and will, at least temporarily, remind the little men that there is a power greater than their own caprice.

The conservative strategy will be to force public hearings on House Joint Resolution 355, which calls for the repeal of the Sixteenth Amendment (and provides certain necessary safeguards), at the coming session of Congress. If it can be demonstrated before a congressional committee that the oppressive tax is unnecessary, even the best efforts of the bureaucracy and its servile press to confuse the issue may fail.

There was, however, one question about which no one at Chicago was willing to speculate. Everyone remembers that not long ago it was generally conceded that the Administration could not prevent Congress from effecting modest reductions in the income tax, and that almost immediately thereafter American troops were sent to Korea to begin the war they were forbidden to win. This may, of course, be a coincidence, but if there should be some causal relation between the two events, what would be the probable consequences of a serious threat to sever completely the tap root of American totalitarianism?

FULL GOVERNMENT CONTROL

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make him as destitute as those he is compelled to assist. Resistance to the programs will bring him into a contest with his government, a contest which leaves him no appeal other than the one to Heaven.

Major Objection

The major objection to discarding Free Enterprise in favor of the present types of government is that such systems cannot escape giving to its officials the prerogative of deciding whether a business shall start, develop, continue or terminate, and where the "breaks" will fall.

Such officials stand as directors, owners and employers. Therefore, when economic distress or upheavals occur, the citizens are involved in a life and death struggle with their government. It is the government that forecloses their mortgages, urges them to invest in bankrupt organizations, drives them from their homes, reduces their wages, abolishes their jobs, withholds their food, denies them their pensions and cancels its promise. Moreover, the government is a party to the controversies. The citizen is therefore without a neutral tribunal and arbitrator. Unrestrained wrath against the government is inevitable. It is the power to be blamed. But it will not modify its programs. It will maintain them by tyranny.

The problem has become international. Trade and business in most countries are now under direct government supervision or ownership. To cut into such activities is a direct challenge to sovereign prestige. It antagonizes the political arm. Permanent and constant brink-of-war hazards multiply. Defense programs which forbid the citizen to enjoy the necessities of life, are the rule.

Let his objective be what it may, when a statesman gives to government officials the control over daily life which they now have, he has created a structure which destroys the proper relationship between the three branches of government, the proper relationship between the Federal Government and the States, as well as that of citizens to their government. He has paralyzed free speech, the primary protection against tyranny, and substituted administration agents for independent courts. Moreover such a structure penalizes efficiency and integrity to such an extent that it demoralizes self-respect and confidence. And probably worst of all, he submits the survival of his country to the judgment and whims of other countries which often will be hostile.

The private enterprise system is the basis of the military strength of this Nation and of its unparalleled standard of living.—*Herbert Hoover.*

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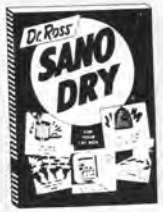


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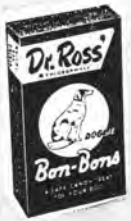


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EMPTY POCKETS

It is tragic to think of Uncle Sam with empty pockets, as depicted on the cover of this issue by Cornelius Peet, the Artist.

Empty Pockets generally symbolizes the spender—the profligate wastrel. Certainly the United States has qualified. Under the pretense of spending us into prosperity and buying friends around the globe, the resources of the American people have been dissipated at a spectacular rate.

Uncle Sam, with empty pockets, indicates that the United States is broke. The fact is, this nation is $280 billion (the national debt) worse off than just plain broke, to say nothing of the fantastic contingent liabilities, said to be nearly a trillion dollars, which politicians have contracted in our name.

Senator Byrd tells us that the national debt alone exceeds the assessed value of all land and buildings in the United States—thus our bureaucrats have borrowed, on our private property, more than the County Assessors say it is worth.

But this condition need not exist. We can refill Uncle Sam's pockets and our own, by the simple device of stopping the profligate waste of our tax dollars.

Spending has been the bureaucratic answer to every problem, so the ancient virtues of frugality and fiscal sanity must be imposed upon them by the application of constitutional restraints.

That is the purpose of the "Proposed 23rd Amendment" pending in Congress as H. J. Res. 355 (copy on request), the terms of which will remove the governmental agencies from direct competition with taxpaying private enterprise, cut governmental costs in half, and remove the need for individual income taxes. Uncle Sam's pockets will then bulge with surplus, and at the same time about 20% will be added to the take-home pay of the American workers.

With such enormous rewards available, it is about time we talked this over seriously with candidates for state and federal offices. How can we vote intelligently unless we know exactly what these candidates propose to do with the power they seek?

A copy of the testimony before the Congressional Tax Hearings, titled "ON TAXING AND SPENDING", is yours for the asking. With it you can learn how to determine where your candidates stand on this issue. You will know how to elect men to office who will apply constitutional restraints to bureaucrats and avoid the unnecessary spectacle of Uncle Sam with empty pockets.

For data, Resolution Forms, Petitions and program information, write to either American Progress Foundation, or the Organization to Repeal Federal Income Taxes, 725 No. Western Ave., Los Angeles 29, Calif.

TOM ANDERSON:

Straight Talk



Reprinted from *Farm and Ranch*

"Why should I worry about taxes—I don't pay any income tax," some farmers say. According to Tax Foundation, an average worker who makes about $4,000 a year pays about $1,200 of that in Federal, state, and local taxes, most of which are **hidden.**

Farmers have long found it hard to understand the vast price difference between the raw materials they sell and the finished products they buy. One big reason is taxes, for the corporations really don't pay their taxes—they tack them on the price of the product and **you** pay **them.** Corporations are tax **collectors** for government.

One-third of Everything

Government now costs the average person more than he spends on food, clothing, medical care, and the church combined. Local, state, and national governments consume almost one-third of every product and service of our entire population. In 1917 government took $7.92 per person from us. Forty years later, it took $446.86 per person. Much of that was hidden from us—taken in unseen nibbles with almost our every purchase.

You can't go anywhere, to the bathtub, cross country, or to town without paying a tax. The government even gets its "take" from your shoe leather. Every movie, radio, telephone, shirt, egg and car (40% of its price) has its built-in taxes. There are 151 taxes on a loaf of bread! Taxes are collected on the sheets you were placed on at birth and the coffin you'll be placed in at death. The bureaucrats will keep their hands in our pockets as long as we let them. Government will spend all the money it can get—and then some. Changing politicians is not enough. Changing undertakers can't stop death. We must change the tax system itself by changing the law.

Repeal the Income Tax

The 16th Amendment says Congress can tax us without limit (the politicians have taken that seriously). Let's repeal the 16th Amendment! Before it was passed, in 1913, the Federal Government could not levy a direct tax on any earnings, savings, or inheritances of the citizens of the sovereign states.

The soak-the-rich tax program has become soak-everybody, because the rich have got only enough income to pay for a small part of the total cost of government. Eighty-five percent of all federal income from personal and direct taxes is paid by people who make under $6,000 a year. Since the Federal government is taking up to 91% of their incomes, many people spend their thoughts and energies trying to avoid taxes instead of trying to make more money. Thus the government is in the position of the short-sighted sheepman who, when wool prices were high, decided to skin instead of shear.

Representative Gwinn of New York points out that Congress is not going to repeal socialistic programs one at a time. No group will leave the trough before the others. Running the pigs away from the trough one at a time won't save slop. The way to save slop is to empty the trough. Kill the federal income tax. If the money's not there, the pigs can't get it. Crazy? On the contrary, it's practical and workable.

Congressman Gwinn proposes a bill which would kill the federal income tax and also take the government out of all business not specifically authorized by the Constitution. Thus the government would no longer need the income tax. Here's why: The U. S. Government is operating more than 700 huge federal corporations. Those federal corporations have 40% of the land area and 20% of the industrial capacity of the U.S. They are unconstitutional tax-**eaters.** By selling them to tax-**paying** private companies the government could get enough tax money from them to offset what it would lose from killing all individual income taxes. The unconstitutional federal lands and businesses in which the government has put $200 billions of our money could be sold back to the American people for say, $50 billion, to be conservative. That'd mean $50 billion debt reduction. And it'd mean $2½ billion yearly savings on interest payments and amortization on that $50 billion. Those government businesses, even though tax-free, manage to lose more than $10 billion a year.

How to Reduce Prices, Halt Inflation

Then, it is estimated about $4 billion a year could be saved by firing the one million federal workers whose services are for those government corporations but whose salaries are charged to the general government payroll. Add to that the cost of buildings, typewriters (there are 3½ government typewriters for every government typist), and multitudinous goods and services provided for these million employees and you save $12 billion more. That makes $28½ billion saved by getting the government out of its rent-free, cost-free, interest-free, tax-free competition with the rest of us.

Gwinn's proposed 23rd Amendment (H. J. Res. 355) would also kill most Foreign Aid, saving about $5 billion. That's $33½ billion saved—more than the total federal government tax-take from individuals.

By killing the personal income tax, we would sound the death knell of Federal Aid, the most insidious con game ever foisted on the American people. We'd cut the mushrooming federal bureaucracy down to a size we might be able to control, comprehend, and afford. This is no proposal to give advantage to vested interests. It is a proposal which can go far toward saving our Republic from Socialism, bankruptcy, and defeat.

The states would regain, reassume and reassert their sovereign taxing powers and responsibilities. There would develop a healthy competition between states. If personal or corporate taxes in Illinois became oppressive the person or business could move to Georgia, or vice-versa. No state could afford to be too far out of line.

When, and only when, the government is cut down to its proper size, will taxes and prices be cut. The vast federal bureaucracy is so powerful and complex that it is beyond the control and understanding of the people. A government that is big enough to give us all we want is big enough to take all we've got.

THIS MICHIGAN FARMER DOESN'T WANT FEDERAL AID:

Federal Agents Grab Yankus Savings



Stanley Yankus, Jr. Refuses to Accept Federal Government Subsidies

Out in Cass County, Michigan, a 39-year-old farmer grows his own grain on his farm, feeds it to his chickens and takes the eggs to market.

He is not a rich man but his wife and three childen are not in want. and he had $3,403.50 in his savings account at the Dowagiac bank. That is, he HAD this savings account, until the Federal government notified the bank through its agents that the account of Stanley Yankus, Jr. was subject to levy.

Mr. Yankus had written a check in payment for chicken feed for $767, which would bounce. This was the first step in action by the federal agents after four years in which Mr. Yankus operated his farm without permission of the Cass County ASC board to plant wheat. He had left a clerk's job 18 years ago to start life as a farmer deep in debt and willing to learn by his mistakes.

Annually the Yankus poultry installation markets approximately 53,000 dozen eggs and is the largest egg producer in the county. Four years ago he received notification that the federal government was fining him for growing too much wheat on his 100-acre farm.

Every year since, Mr. Yankus has been fined for growing too much wheat. But he has refused to pay the fines on the grounds that his constitutional rights have been infringed upon. The unpaid fines amount to $3,848.

The Agricultural Adustment act of 1938 is the law the government charges Mr. Yankus has violated. Under the provisions of the act farmers are bound to abide by acreage allotment established by the agricultural stabilization and conservation committee.

Mr. Yankus says he has never signed any agreement with the government and has never received any subsidy. In addition, the farmer says he uses all the wheat he grows as feed for his laying hens.

The whole thing doesn't make sense, "the government would pay me for not raising wheat. But they fine me for just trying to make a living for myself and my family. I read recently where President Eisenhower's farm earned $2,000 for not raising some crops.

"If I signed up with the government to grow only 12 acres of what they would buy it from me at $2.08 a bushel and put it in storage to rot."

Since his bank account was impounded Yankus was forced to sell 1,000 pullets to get some ready cash. E. A. Batchelor, newspaper reporter, provides the following information: questions about me.

"That hurt," Yankus related, "but here's something that worries me even more. I learned that an FBI agent had been over asking my egg buyer in Benton Harbor a lot of kuestions about me.

"This awe people have of the FBI makes that very damaging to me. People get leery of doing business with a man if they think it will bring the FBI down on them. You see, they are getting afraid of their government."

Yankus said the Cass County ASC board urged him to plant corn instead of wheat, explaining:

"They told me I could raise all I wanted and feed it to my chickens or sell it. In the first place, to raise corn, I would have to buy $2,000 worth of specialized farm equipment.

"Then if I did sell the corn, I would have to take the money and pay ridiculous high prices for the wheat my birds need.

"It's just too much like somebody telling me what I have to serve for supper each night. I can't go for it."

To try and get the "government" explanation you go to the offices of the Cass County ASC board which administers the law Yankus is fighting.

The federal government is represented there in a remodeled old railroad depot by Office Manager Russel Leach and five women clerks.

The walls are lined with filing cabinets. They are bulging with the Form "E-16s" and the "J-11s" so essential to the bureaucrat's existence.

Leach, 49, is a little man with a tiny mustache. He gets $5,400 a year for checking and reporting on men like Stanley Yankus and seeing that the girls file the multiple reports correctly. He also owns a farm nearby.

In his way, he seems just as bewildered as Yankus. The first thing he tells you is, "I'm just working here. My job is just to see that his excess wheat is reported."

Just a cog in a big government wheel?

"Yes, that's all," says Leach.

True, he said, Yankus is the only farmer in Cass County who is violating the law by growing excess wheat solely for his own use. But the law as written didn't take that into account and "I didn't write the law."

"I don't see why he won't be reasonable and put the land into corn. I think his chickens would do better on that than wheat," said Leach.

They looked pretty healthy on their present diet, the visitor suggested. Leach smiled wanly and offered no argument.

"I want to get along with everybody. I'm sorry this Yankus thing has caused so much trouble," he said. "But if I'm not in this job somebody else would be."

As Stanley Yankus had said, "this government thing has gotten so big and involved a man doesn't even know who he's fighting any more."

Bureaucratic manipulation of law and irresponsibility are dangerous elements in a government; and if legislative committees do not maintain a close watch on the administration of law, or if they are indifferent, or if they adopt the attitude of "what is the Constitution or a particular statute among friends?" or if they are incompetent, good government becomes an idle dream.—Walter E. Spahr, *Economists' National Committee on Monetary Policy*

The faults of others are like headlights on an automobile. They only seem more glaring than our own.—*The Defender.*

A Break for Brains

By ROBERT NELSON TAYLOR

U. S. Press Association

It begins to appear that the idea of a worried industrialist—backed by $10,000 of his firm's money, an inspired teacher and a cooperative school administration—has cracked the wall of mediocrity that "modern" educational theories have reared between teen-age Americans and the zest for conquest that drove their forebears.

A year's experiment at Neville High School in Monroe, La., is drawing to a close. Thirty volunteer students, qualified by a grueling exam, are successfully completing an extra tough **extra** course—two hours a day, five days a week of college level chemistry—and without benefit of additional credits. During the school year, their example has made them campus heroes and heroines (not **grinds** or **squares**), has upgraded classes throughout the whole school and given them a popularity above even the football players!

All of the group are going on to college, all but five plan careers in science. "I've had only one problem from the whole program," says the principal, "the universities are fighting over these kids."

The man who sparked what may be the greatest scientific breakthrough yet, is Robert H. Evans, vice president and general manager of Olin Mathieson Chemical Corporation's Forest Products division, whose headquarters is in West Monroe. It was his idea to set up an advanced chemistry course in the Neville High School as a one-year experiment and to get the finest man available to teach it. Mr. Evans found the man he wanted—and got him. This is Lon H. Colborn, 61, and recently retired after 33 years at Pittsburgh's Allderdice High School. Here, his inspired leadership of his students—of whom no less than 300 have become scientists—won for him the tenth honorary degree presented by the Carnegie Institute of Technology in its 56 years. This is the man who says: "There is no such thing as an indifferent student—there is only indifferent teaching."

Mr. Evans' firm put up $10,000 for Mr. Colborn's salary, and within weeks of the new teacher's arrival at Neville, the Monroe school system gave him $4,000 for new laboratory equipment, virtually the first expenditure of the sort in 20 years. Next year, classes in advanced physics will be added, and four schools, rather than one, will benefit by the "Monroe Plan". The search for a physics teacher approaching Mr. Colborn's statute, to be established in the West Monroe High School, is now under way.

The Monroe Plan has provided not only a blue print for effective collaboration of industry and school people **at the local level** but proves some points that most of us have long suspected—that fancy buildings do not make a school, that our educational need is not Federal largesse (and dictation) but better teachers and more imagination and that today's youth is as ready as yesterday's to accept a worthy challenge. And, certainly the Monroe Plan is a challenge to every U.S. community that wants to give the youngsters who have brains a chance to amount to something.

WHEN YOU CAN CALL YOUR MONEY YOUR OWN

This year, Tax Freedom Day fell on May 13. It bears that name because it was the first day of the year on which you could call the money you earned your own.

Here's the story. Estimates say that personal income of everone in this country will come to $350 billion in 1958. The Federal, state and local tax bill will add up to $125 billion—36 per cent. So, on the average, each of us must work 133 days to pay the cost of government before there is anything left for ourselves.

A free economy does not move in a straight line, but in curves, up and down. At present there is a downward trend but increased defense spending raising the national debt ceiling to $280 billion, easing credit and the other manipulations are calculated to provide the sagging economy with a shot in the arm. It may mean another ride on the merry-go-round of inflation.—Milford (Ind.) Mail.

FACT SHEET PROVIDES AID TO EDUCATION

A letter from a midwestern university tells this graphic story of the power of *Fact Sheet* this past semester:

"You will be happy to hear that *Fact Sheets* did their job well during the past scholastic year. Students from my courses often would repeat in other courses what they heard from the *Fact Sheet*, and on being challenged for their courses for such unusual information, would triumphantly produce the actual record. They enjoyed it immensely. A couple of them even carried the argument into the office of a local judge who gives a course here in law."

This is the kind of achievement which makes *Fact Sheet* a most valuable academic weapon in this struggle for the minds of men. You, too, can provide this weapon to our youth. Single subscriptions $10.00. Eleven gift subscriptions for the price of ten—$100.00. Gift subscriptions to school or public libraries are fully tax deductible.

Send in your check for gift subscriptions to schools or libraries today to *Fact Sheet*, P. O. Box 2948, Hollywood 28, Calif.

LEAVING THE BACK DOOR OPEN FOR SOCIALISM

History records that while the Christians were holding the city of Constantinople in the 15th century behind its massive hundred foot high wall, an enemy soldier discovered a back door in the wall, open and unguarded. While the Christians battled from the parapets, the Moslems slipped through the unguarded door and the city was taken.

The United States is perhaps as impregnable from outside attack as was Constantinople but it may also be as vulnerable from within. While our country is spending billions of dollars for defenses to protect itself from freedom-destroying invaders, is it leaving a back door open?

A socialistic trend that has persisted in the U. S. in recent years continues to encroach on private citizens and industry. The affairs of the country fall more and more under the control of invading bureaucracy. Thus we are gradually breaching our defenses of individual opportunity and personal liberty.

When you can't remove an object, plow around it.—Abraham Lincoln.

Is Our Money Being Used to Enslave Us?

By
VOLLIE
TRIPP

Last week I offered an older couple a deal where they could make a little money to supplement their small fixed income. The work was not hard, and the job carried some prestige. Two days later I went for their decision. It was turned down.

Candidly the lady explained any additional income would upset their carefully worked out budget, place them in a higher tax bracket, with the result that they would receive little, if any, benefit by earning more money.

Thus the Income Penalty Law works not only to discourage adventure and enterprise, it now blocks even those on small incomes from realizing their fullest earning potential. In this case, and in millions like it (I suspect) people are using this negative means of protest against this cruel and insane law.

Great numbers of people have learned to live on less money. As one means of meeting this particular form of tyranny, on a personal level, learning to live on less has much to commend it. There is real satisfaction in knowing that one has not contributed materially to various socialist experiments and other follies our government is financing, all over the world.

If enough of us would determine now, to cut our incomes to a point just above the subsistence level, government would soon be shorn of the power to harass and persecute its citizens. For money (ours) is the chief weapon of government in its undeclared war upon its subjects.

Of course, the choice is a hard one. We should have to forfeit, along with many of those things we have come to consider necessary luxuries, at least some of the means of combatting this evil on the positive front. For for every dollar we are able to set aside to fight this thing, government collects roughly a like amount to fight us.

Government knows there is a good chance we the people would repeal the 16th Amendment (Income Penalty Law) if it were ever submitted to vote. Government is not going to take that chance, or give us a chance to speak, if it can prevent. It has immense and well entrenched powers to perpetuate itself in power. To meet this challenge, we still have a right to speak, and to think. If those powers are ever lost, all is lost.

Why do some of us strive mightily to earn and accumulate money, the one commodity that government can most easily take from us, and most effectually use against us? I suspect it is, chiefly, a desire to be secure, independent, and free from the devastating effects of charity, either under the aegis of a welfare state, or relatives and friends.

Laudable as the motive may be, I am beginning to wonder if the practice of money making, beyond reasonable needs, may not be contributing to our downfall as free individuals, and the extinction of all freedom.

Mind, I'm not saying positively that this is so. But the question seems a valid one. When a man is forced to give up ten or twenty thousand dollars of his hard won earnings, as a penalty for thrift, he may as well reconcile himself to the fact that he is paying the salaries of three or four bureaucrats, whose chief purpose in life is to annoy and harass the people still more.

I do not believe it is possible to recover our lost freedoms by purely political means. Things have gone too far. We may as well write off both political parties as means to this end. If our precious freedoms and prerogatives are to be restored, it will have to come as a deep spiritual awakening, on the level of a religious renaissance. Both old parties are morally and ethically bankrupt. Politics, as such, is discredited. We shall have to search in past human experience to find a technique fit to meet this crisis.

Fortunately, we need not search far. The techniques of Mahatma Ghandi, with a few slight alterations, could be used to meet this problem... Ghandi's methods were organized negation, focused upon a spiritual ideal. Whether or not India is going to profit, in our time, from his effort, is beside the point. He undertook to free his nation from what he believed was another form of tyranny and oppression. He succeeded.

To the extent that our money making is sparked by a desire for personal security, how would it be, rather than laying up security in this form, we were to develop within ourselves the **potential** for money making? Since security, in the form of a visible supply, first exists in the Infinite, and becomes objectified through our effort and will, would it be less real if it remained in this potential ready-to-call-forth state?

I rather suspect that this kind of security—ability to create quickly according to our needs and wants, is far more real, and much safer from theft, than millions left in a bank. Up and down the Mother Lode of California, many old timers have little gold claims which yield, in a few week's work, enough to support their owners the rest of the year. They could foolishly dig out all their gold, place it in a vault, and pay the fearful penalty for their thrift. They choose a wiser course, dig out only what they need, preferring the safety of a gravel bank, where prying government sleuths cannot break in and confiscate.

Laying up wealth may well be indicative of fear and anxiety to meet and deal with life's problems as they arise. If we knew for a certainty we could always deal with these problems, meet these demands, not out of accumulated reserves, but from instant creativeness, drawing upon primary supply, little in the way of reserves would be necessary. A few individuals seem to be able to do this. Such ones enjoy a high degree of real security. Nor are they forced to contribute to the creeping slavery where the victim's money is the government's chief weapon in his control.

Reducing income to a subsistence level, developing a higher factor of income potential, and (not least) working out a technique for living well on less, may be our only real solution. Such a course would entail some material sacrifice, it's true. Yet, there are important compensating factors. This road would lead to release and eventual freedom, by wresting from

Turn to page Seventy-Seven

The State of the Unions--Now



Ralph W. Gwinn
New York
Congressman

Last month I was visited by one of the most prominent businessmen in America. At one time he was president of the largest of all America's trade associations. His company maintains an office in Washington. He had contributed toward the tens of millions that the business world contributed for the reelection of President Eisenhower—but hardly a dime, and little time, for the election of a Congress.

So this man wrote the President a thoughtful letter outlining what he regarded as "must" legislation in labor-management relations. His proposals were:

(1) Compulsory union membership requirements should be abolished by Federal law;

(2) Antitrust laws should be extended to cover the activities of organized unions;

(3) There should be further prohibitions against secondary boycotts;

(4) There should be an effective prohibition against union political actions; and

(5) Mass violence should be subject to Federal law.

The trouble is that our industrial leaders do not realize that while the businessmen were electing a President in 1956, the AFL-CIO was electing a Congress. The Congress enacts all laws, not the President. The President may propose. The Congress can act or not, as it sees fit.

I had to tell my visitor that his proposals hadn't a ghost of a chance in this Congress. They will have even less chance in the next. He was startled, but he was startled too late.

In the 1956 elections organized labor was active in 300 of the 435 congressional district elections — and were successful—that means that their man got elected—in more than 175.

In addition to direct money contributions, labor-supported candidates receive incalculable numbers of free campaign workers, union treasuries paid for untold hours of radio and TV time, "friends" of the candidate inserted expensive full-page ads in the local newspapers, wives of union men manned telephone brigades contacting voters, teen-age sons and daughters undertook baby-sitting chores while mothers and fathers went to the polls. Meanwhile, the labor press gave full play to the election, and the merits of their particular candidate. Special election editions were issued and distributed.

In terms of known reported spending we have already counted more than $2,200,000 spent or contributed by national and international unions, exclusive of all State and local unions. One Senator benefited in an amount of $725,000 in 1954 from one union for his campaign. The total for all the States, will run, of course, high in the millions. Organized business, by comparison, spends virtually nothing in time or money to elect Congressmen or Senators. Individual business leaders with rare exceptions are just as bad.

Let's look at just one campaign, in 1954, by one union for one Senator. Special election radio and TV broadcasts cost for time only, with no allowance for staff, script preparation, reprints of talks, was $250,000. Special election editions of regular publications, extra copies to distribute outside the regular union membership ran to another $175,000. And then, on top of all this, this union hired 500 "special organizers" (payroll title for political workers) at $20 per day for the 30 days just before the election. This cost another $300,000, exclusive of expenses or other services. **This gives us a total of $725,000 spent by the United Automobile Workers, CIO, in support of Senator McNamara in Michigan in 1954.**

What were the other unions doing in Michigan that year? For this, we turn to the reports filed with the Clerk of the House of Representatives.

The national AFL's Labor League for Political Education (this was before the merger) reported spending $19,124.73 on political activities within the State, the national CIO political action committee another $43,000, and so on, for a grand total of $116,091.81, in addition to the "indirect" and, therefore, unreported costs already noted.

This gives us a new total for the State of Michigan of $841,000 as a reasonable estimate of known and reported spending by the political affiliates of organized labor. From case histories, we know that actual expenditures are more than 10 times those required legally to be reported. **This means that approximately $10 million was spent in Michigan alone.**

In 1956 union political workers were active in 30 of 35 general election contests for the United States Senate. Michigan was one of the more bitterly fought contests in 1954, but similar and equally large figures are available for Illinois (Senator Douglas), Minnesota (Senator Humphrey), and Tennessee (Senator Kefauver), etc.

If the unions spent only half as much in the 30 senatorial contests in 1956 as they spent in Michigan in 1954, it would amount to $150 million.

Is it any wonder that few pieces of legislation pass contrary to the recommendations of the leaders of organized labor?

The first session of the 85th Congress passed no such legislation; neither did the entire 84th Congress; and I defy anyone to point to a single bill in the present session of the 85th that has a chance of passing if it is against the will of the AFL and CIO.

* * *

Our business organization genius must be put to work—the same genius that has organized great industry and provided the capital and tools of production on which labor itself depends. Business associations must now do the same to maintain law and order under which we all live and work.

Here is what the individual businessman should do:

1. Demand that local business associations become active in political affairs immediately. This means organizing to ring door-bells, to establish telephone brigades, to collect political contributions. It means registration and voting drives. It means providing opportunities for candidates to get their views across.

2. Demand that State and National associations, chambers of commerce, and other conservative organizations to which you undoubtedly belong begin to produce the kind of "educa-

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Advantages of the American Free Enterprise System

By D. HERSCHEL MILLS

The 13th Annual national essay contest for high school students by the Association of American Physicians and Surgeon's Freedom programs provided $2,675 in national prizes this year. First prize of $1,000 went to D. Herschel Mills, senior at Angleton, Texas, high school. Young Mills intends to enter Duke University at Durham, North Carolina. He is the son of Rev. and Mrs. John W. Mills. His father is the pastor of the First Methodist church in Angleton.

The greatest monument I have ever seen to free enterprise is the modern American supermarket. On a single shelf may be found one product under fifteen different labels, every one of those labels proclaiming its product to be the best made. Fifteen manufacturers, each trying to convince the public that only he can produce green peas capable of satisfying hunger! This is free enterprise!

Many denounce this system by which man earns according to his desires and capabilities. But they would destroy man's ambition, making him a robot with no incentive for advancement. What a flimsy, weak-willed creature man would be!

The main advantage of socialism, according to its staunchest advocates, is the security it provides. Under socialism, they say, poverty could be destroyed and man could live in peace, assured that no twist of fate could force him down into the gutters of life and prevent his rise. All would be equal, the socialists claim, despite their intelligence, ambition and initiative. The drunken bum could be placed on the same level with the most distinguished statesman. This, they say is security.

This may really be security. But while security may be one of the most universally pursued goals, it is also one of the most universally deceptive goals. Few would actually want security if they got it. There is something about sweat and toil and tears that appeals to man's soul. To be deprived of the right to advance would tear man away from himself.

Man is a competitive being. All progress, whether intentional or not, has been derived from his competition. When man betters himself, he often betters humanity. Competition also provides better qualities. The man who must produce a better product than his neighbor will naturally produce a better product than someone who is not subjected to these pressures. The truth of the statement can be proved by comparing an American car and a Russian car. The American car is ahead by at least ten years in all respects. Nowhere, except in a free enterprise system, can man progress so far in so short a time as he has progressed in Twentieth Century America.

This brings us to another important point, democracy. To bring us democracy, to bring us freedom, our ancestors lived and worked and fought. The blood of America's sons was shed on Bunker Hill, at Gettysburg, at the Marne River, Iwo Jima, Normandy, and Porkchop Ridge, shed so that the light of democracy might shine on our land forever. Our common heritage of democracy makes us all zealous in protecting that democracy.

And what could be more democratic than free enterprise. What could be freer than for a man to earn his bread by the sweat of his bow? Abraham Lincoln referred to this nation as a nation "of the people, by the people, for the people." But how can a nation be "of the people" and deny the right of private ownership of property? How can a nation by "by the people" if it thwarts individual initiative? And how can a nation be "for the people" if it restricts individual opportunity for advancement? Freedom is impossible without a system of free enterprise.

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To see in its proper perspective the difference between a country that has a system of free enterprise and one that does not we must compare the United States with the Soviet Union. The U. S. has been one of the most prosperous nations in the world. The Soviet Union has been referred to as the "world's biggest poorhouse". The American free enterprise system has produced better than an average of seven times as much coal per worker as the Soviet Union. Opponents of free enterprise say that socialism, communism, and all the "isms" created to destroy mankind would eliminate poverty and tend to build up the standard of living among the masses. Yet the average Russian worker must labor five and a half times as long as the average American worker to earn his daily bread. Without free enterprise not poverty, but prosperity, is eliminated.

Technical ability under any other system besides free enterprise would be practically non-existent. What would be the use of obtaining an education? What would be the use in gaining technical skills? The unskilled, the uneducated would all earn as much as the most highly trained and highly educate men a nation could produce. The genius could accomplish no more than an idiot! The college professor would be no more than an illiterate bum. Invention would reach a standstill. Scientific advancement would be thwarted. Production would be slowed to a snail's pace. There would be no dreams, only drudgery. How could man progress in such a stagnant atmosphere?

Free enterprise is the world's backbone. Ludwig Erhard, West German minister of economies credited with the success of the Germany economy, has said, "Where there is a free market, there are sound currencies." The most industrious man is the man with highest goal in sight, a goal that will lead him higher and make him better. The most perfect position for the head is tilted upward looking at the sky and all those who have advanced the human race, regardless of the political system under which they labored, were laboring under an economic system of free enterprise which encouraged individual initiative.

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Advantages of the American Free Enterprise System

By D. HERSCHEL MILLS

The 13th Annual national essay contest for high school students by the Association of American Physicians and Surgeon's Freedom programs provided $2,675 in national prizes this year. First prize of $1,000 went to D. Herschel Mills, senior at Angleton, Texas, high school. Young Mills intends to enter Duke University at Durham, North Carolina. He is the son of Rev. and Mrs. John W. Mills. His father is the pastor of the First Methodist church in Angleton.

The greatest monument I have ever seen to free enterprise is the modern American supermarket. On a single shelf may be found one product under fifteen different labels, every one of those labels proclaiming its product to be the best made. Fifteen manufacturers, each trying to convince the public that only he can produce green peas capable of satisfying hunger! This is free enterprise!

Many denounce this system by which man earns according to his desires and capabilities. But they would destroy man's ambition, making him a robot with no incentive for advancement. What a flimsy, weak-willed creature man would be!

The main advantage of socialism, according to its staunchest advocates, is the security it provides. Under socialism, they say, poverty could be destroyed and man could live in peace, assured that no twist of fate could force him down into the gutters of life and prevent his rise. All would be equal, the socialists claim, despite their intelligence, ambition and initiative. The drunken bum could be placed on the same level with the most distinguished statesman. This, they say is security.

This may really be security. But while security may be one of the most universally pursued goals, it is also one of the most universally deceptive goals. Few would actually want security if they got it. There is something about sweat and toil and tears that appeals to man's soul. To be deprived of the right to advance would tear man away from himself.

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The proposal had its origin in the flagrant attack upon Sewell Avery, of the Montgomery Ward Company, during the spring of 1944. It will be recalled that Mr. Avery was physically removed from his office by soldiers. The then attorney general, Francis Biddle, justified the act by asserting that "The Government of the United States can do anything not specifically prohibited to it by the Constitution."

To cope with this denial of the intent and purposes of Constitution limitations upon the power of government, Willis E. Stone, in his newspaper column of June 2, 1944, suggested an amendment to the Constitution which has come to be known as the "Proposed 23rd Amendment" and is now pending in Congress as H. J. Res. 355. Mr. Stone' column, now distributed by Peck Associates of Largo. Florida, is a regular feature in more than 3000 newspapers.

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J. HOWARD PEW:

Reprinted from April 1, 1958 issue of
CHRISTIAN ECONOMICS

The Issue is Freedom Under God

While the Foundation of the Presbyterian Church in U.S.A. is primarily concerned with the acquisition and custody of funds, it is also dedicated to the preservation of a spiritual heritage of precept and principle which has come down to us, almost unchanged, during the last 170 years. The heritage of which I speak is embodied in the Constitution of the Presbyterian Church in the United States of America.

Charters of Liberty

This great statement of church laws and beliefs was drawn up by the Synod of New York and Philadelphia, which began its deliberations on May 17, 1787, and completed its work in the following year. It is a cornerstone of Christian liberty, and the manner in which it was drawn up closely parallels that of another great charter of Liberty—the Constitution of the United States which by a striking historical coincidence, was being debated by the Constitutional Convention only a few blocks away at the same time.

Indeed, many of the same ideals inspired both the members of the synod and the founders of our country, and we should not overlook the circumstance that it was Dr. John Witherspoon, a signer of the Declaration of Independence, who played one of the leading roles in drafting the Constitution of the Presbyterian Church and subsequently presided over the first meeting of the General Assembly.

Nor should we forget that just as Thomas Jefferson had written that "all men . . . are endowed by their Creator with certain inalienable rights," so the fathers of our Church, in a statement of preliminary principles to the Form of Government, wrote that "they consider the rights of private judgment, in all matters that respect religion, as universal and inalienable."

Thus it was that freedom of the individual to exercise his private judgment in matters of conscience, became fundamental in the government of the Presbyterian Church in America, and has so continued for many generations.

Ban on Secular Affairs

Another basic tenet of Presbyterianism is that the corporate Church shall not become involved in matters that are properly the concern of the State. Well did our forebears know that intervention in secular affairs would largely impair the ability of the Church to fulfill its mission. To make their intentions clear, they included the following declaration in the Confession of Faith:

"Synods and councils are to handle or conclude nothing but that which is ecclesiastical, and are not to intermeddle with civil affairs which concern the commonwealth."

Of course, they fully believed that the teachings of Christ should be extended to every aspect of human affairs. In fact, it is the very essence of Presbyterianism that churchmen shall apply the principles of their religion to every problem that confronts them. But the determination of right and wrong is solely a matter for the individual, subject only to the Divine authority which speaks to him through his conscience.

At the very best, if we subject ourselves to the advice or opinions of a governing group in a matter which each one of us ought to decide for himself, we are simply ascribing to it an infallibility which, in fact, it does not possess. The Westminster Divines were conscious of the possibility of error in group thinking and provided a safeguard against it by the following passage in the Confession of Faith:

All synods and councils since the apostles' times, whether general or particular, may err, and many have erred; therefore they are not to be made the rule of faith or practice . . ."

Our forebears were students of human nature. They knew that the welfare of our corporate church would best be served by restricting it to those activities which deal with the attibutes of Christianity as defined in the Holy Bible. And so they gave us a Constitution and incorporated in it the Confession of Faith, The Larger and Shorter Catechisms, The Form of Government, The Book of Discipline, and The Directory for the Worship of God.

Precepts Long Accepted

For hundreds of years, men of sound mind and great heart have strictly adhered to the precepts laid down by the fathers of our Church. Under these precepts a great institution has been builded.

Are we now to regard our Church Constitution as a scrap of paper?

Are we to plunge our Church into issues of international trade and all other international relationships?

Is our Church to dictate to government its policies on agriculture, natural resources, and all other relationships between government and people?

Is our Church competent to determine all relationships in social and economic life?

Should our Church set itself up as an authority on public education?

Should it become involved in all other secular areas of our common life?

And, are we to repudiate one of the basic tenets of Protestantism by having our Church exercise control over the thinking of its members?

Does our Church have a mandate from its members to do these things?

In fact, should our Church have a Division of Social Education and Action?

These are grave issues, and on their wise determination depends the future of this magnificent Presbyterian institution.

It is likely that our Church fathers had in mind the impossibility of finding any individual or group of individuals possessing a sufficient store of knowledge to justify them in passing judgment on every conceivable subject.

Our forebears learned from experience that when the church assumed the right to sit in judgment on secular affairs, it became involved in all kinds of economic, social and political controversies, and it largely destroyed its power for good. These controversies mostly grew out of the issue of freedom.

The Issue Is Freedom

Today the issue is freedom, just as it was 170 years ago. Freedom under God has made America great —freedom of the conscience, which is a man's right to exercise his private judgment—freedom of religion —freedom to dream, to think, to experiment, to invent, to match wits in friendly competition—freedom to be an individual. That is America's Christian heritage. That is America's strength.

Christian people everywhere are seeking to eliminate poverty and illiteracy, and to care for those who are unable to look after themselves. Seeing such ills and much injustice, the Christian is tempted to invoke the police power of government to correct them. But Christ proclaimed the gospel of love, not force. Police power produces resentment and ill will, stifles energy and destroys production. It never makes men kind and charitable. Only the love of Christ can do that.

Power of the Gospel

Changing human hearts is a slower process than changing laws, but it is far more certain to accomplish the desired results. Let the Church not appeal from God to Caesar, but let it devote its energy to that of promoting Christian grace—honesty, truth, fairness, generosity, justice and charity—in the hearts of men. Free Christian men will apply the gospel to all areas of life, to all human activities, to the individual in his life and work, and to society in all of its relationships. The Gospel of Jesus Christ is universal, all-embracing, and sufficient to meet the needs of all mankind.

The worst mistake that the American people could make would be to let the government take over the public schools. What we need is for teachers to go back to the system of teaching rather than the present systme of "developing the personality" of the student. A free mind will develop far greater than one that is controlled by radicals.—Cleveland, O., News-Enterprise.

If we can in this fast-moving age have solid econmic development without the corrosive influence of inflation we ought to begin to find it out. Unless we start soon to try we may discover one day that inflation is taken for granted by management, labor and everybody else as an inescapable companion to our economic progress. Then is hastened the day when the house of cards will collapse. Virginia (Minn.) Mesabi Daily News.

Freedom School in Second Session

America is a sitting duck for communism unless freedom-loving men and women defend her.

There are thousands of us, ready and willing to spring to her defense, but how many of us are able?

How many of us are able to recognize communism when we see it? How many of us are able to explain that communism is not exclusively a Russian ideology but that any government can promote it, even our American form? How many of us are armed with a consistent philosophy, in the light of which we can properly evaluate any program, individual or government, personal or public.

The Freedom School specializes in preparing the ready and willing defender of freedom to become effective, able to free himself of any form of collectivist beliefs, and able to speak out effectively for freedom.

Reservations at Freedom School thus far this year are more than double the 1957 enrollments. Sixteen states and Canada will be represented in the school's second season of summer classes.

The Freedom School is located in the heart of the United States—Colorado. High amid pine trees, on the slopes of the Rampart Range at the foot of the Rockies, the log cabin classroom opened on June 2nd. The final class will conclude on September 6.

Courses are two weeks of concentrated study—72 hours of discussions, lectures, motion pictures—covering liberty in five major aspects: historical, political, economic, philosophic and moral.

An advanced class in economics has been added this year. F. A. Harper, Ph. D., staff member of the Foundation for Economic Education, is presenting a two-weeks' course in economics open to students who have completed the basic course in libertarian study at Freedom School. Dr. Harper's class begins August 11.

Serving as guest discussion leaders at Freedom School this year are individuals whose names would appear in large print in any "Libertarian Who's Who." These include: Frank Chodorov, editor-author, Berkeley Heights, New Jersey; James L. Doenges, surgeon, Anderson, Indiana; E. W. Dykes, architect, Canton, Ohio; Percy L. Greaves, Jr., economic advisor, Christian Freedom Foundation, New York City; R. C. Hoiles, president, Freedom Newspapers, Inc., Santa Ana, California; Louis G. Milione, Jr., director, American Economic Foundation, Philadelphia, Pennsylvania; Leonard E. Read, president, Foundation for Economic Education, Irvington-on-Hudson, New York; James M. Rogers, assistant to the president, Ingersoll Milling Machine Co., Rockford, Illinios; and Mrs. Rose Wilder Lane, author, Danbury, Connecticut.

At the Freedom School the student is given an opportunity to fill in the great gaping holes left by modern educational practices in his understanding of profit, savings, the causes of inflation and depression, free enterprise, political science, communism, socialism, the use of aggressive force, etc., etc.

After intensive preliminary work in definitions and analysis, each student is challenged to examine his own attitudes and thought processes so as to weed out unconditionally any traces of the socialist ideology with which most Americans are unwittingly infected. The aim of the school is to help each student prepare himself so that never again will he fall victim to a program or philosophy of collectivism. Thus, by the power of one, an individual of integrity, will the cause of liberty be strengthened.

Information about Freedom School is available by writing to P. O. Box 165, Colorado Springs, Colorado.

WYOMING STOCKGROWERS SUPPORT H. J. RES. 355

We learn from Dan Hanson, president, Brock Livestock Co., Kaycee, Wyo., that on June 6, 1958, the Wyoming Stockgrowers Association, Jackson, Wyo., adopted the following resolution without a dissenting vote:

"Whereas, H. J. Res. 355 by Congressman Gwinn is the first comprehensive, consistent and entirely equitable attempt to eradicate socialism and restore the principles of limited government according to the Constitution.

"Therefore, be it resolved that we urge our members to promote H. J. Res. 355 by requiring as a condition for support that congressional and legislative candidates pledge to hereafter take seriously and literally their oath to 'preserve, protect and defend the Constitution.'"

How about YOUR organization adopting such a resolution?

WILLIS E. STONE:

Protection from Protectors



Willis E. Stone

The function of the Defense Department is to protect our lives and property, our wealth and our way of life.

For this job the Defense Department currently receives appropriations of tax dollars nearly equal to the total national income of twenty-five years ago.

Despite this enormous annual spending for protection, we are not protected. We have been forced to pay to foreign socialistic and communistic governments more treasure than all the vanquished people in history have had to pay to their conquerors. We have been forced to surrender control of our resources and markets to the other nations of the world which meet in Geneva, Switzerland, and divide up the wealth and markets of the American people.

While not defending our lives and properties from these foreign intrusions, the Defense Department has been building empires. The dimensions of this process came into focus with the drive to regain economic independence through the terms of a "Proposed 23rd Amendment" now pending in Congress as H. J. Res. 355.

When we became aware of the fact that the Defense Department had created more than 19,000 business, commercial and industrial establishments, a real drive to get these enterprises back into private hands was undertaken. Congressman Edgar Hiestand (R) of California in a brief speech in Congress April 19, 1958 (Congressional Record, Page 6788) told of the progress being made in closing, "or definitely scheduled for closing 585 Defense Department operations" which included "25 war-born synthetic rubber plants, an alcohol plant, bakeries, a resort hotel, ice cream plants, the Inland Waterways Corporation and the South Pacific Trading company.

"Many more projects would have been closed if the opposition in Congress had not succeeded in blocking shutdown of nearly 70 facilities the Defense Department wanted to eliminate."

The progress cited by Congressman Hiestand, and for which he and certain of his colleagues deserve great credit, has enormous implications. Although it leaves the Defense Department with more than 19,000 enterprises and a steadily growing empire, it does prove that we can regain our economic liberty when we are willing to work for it.

Unfortunately, the tide still goes against the taxpayer. While minor enterprises have been eliminated the major empire building within the Defense Department has steadily continued.

Vast sums of tax dollars have recently been spent to build and equip aircraft maintenance installations by the Defense Department, thus destroying the investment and facilities of the private aircraft maintenance industry which has so long and effectively maintained our military aircraft at peak efficiency. This is being carried on despite the evidence that the tax free military workshop program is 44 percent more costly to operate than the taxpaying private facility.

More tax millions, appropriated to protect private property, have been used to buy up the plants of major aircraft manufacturers. The great Boeing plant in Seattle, the Hughes plants in Tucson, and many similar aircraft plants are now owned by the Defense Department.

The original owners still operate the plants, but the plants, the equipment and the inventory has become tax exempt, and the operation is now by political arrangement rather than on the basis of competitive excellence.

These points of conflict between the American taxpayer and his protector can only exist because we have departed from the basic American idea that ours is a private enterprise society, and that the function of government is to protect private property rights, not to attack them.

We can and must restore the American concept. It can be done by applying the terms of a "Proposed 23rd Amendment" now pending in Congress as H. J. Res. 355. It provides that:

Sec. 1—The Government of the United States shall not engage in any business, professional, commercial, financial or industrial enterprise except as specified by the Constitution.

Sec. 4. Congress shall not levy taxes on personal incomes, inheritances and/or gifts.

Convenient envelope labels, see inside back cover page.

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The function of the Defense Department is to protect our lives and property, our wealth and our way of life.

For this job the Defense Department currently receives appropriations of tax dollars nearly equal to the total national income of twenty-five years ago.

Despite this enormous annual spending for protection, we are not protected. We have been forced to pay to foreign socialistic and communistic governments more treasure than all the vanquished people in history have had to pay to their conquerors. We have been forced to surrender control of our resources and markets to the other nations of the world which meet in Geneva, Switzerland, and divide up the wealth and markets of the American people.

While not defending our lives and properties from these foreign intrusions, the Defense Department has been building empires. The dimensions of this process came into focus with the drive to regain economic independence through the terms of a "Proposed 23rd Amendment" now pending in Congress as H. J. Res. 355.

When we became aware of the fact that the Defense Department had created more than 19,000 business, commercial and industrial establishments, a real drive to get these enterprises back into private hands was undertaken. Congressman Edgar Hiestand (R) of California in a brief speech in Congress April 19, 1958 (Congressional Record, Page 6788) told of the progress being made in closing, "or definitely scheduled for closing 585 Defense Department operations" which included "25 war-born synthetic rubber plants, an alcohol plant, bakeries, a resort hotel, ice cream plants, the Inland Waterways Corporation and the South Pacific Trading company.

"Many more projects would have been closed if the opposition in Congress had not succeeded in blocking shutdown of nearly 70 facilities the Defense Department wanted to eliminate."

The progress cited by Congressman Hiestand, and for which he and certain of his colleagues deserve great credit, has enormous implications. Although it leaves the Defense Department with more than 19,000 enterprises and a steadily growing empire, it does prove that we can regain our economic liberty when we

More tax millions, appropriated to protect private property, have been used to buy up the plants of major aircraft manufacturers. The great Boeing plant in Seattle, the Hughes plants in Tucson, and many similar aircraft plants are now owned by the Defense Department.

The original owners still operate the plants, but the plants, the equipment and the inventory has become tax exempt, and the operation is now by political arrangement rather than on the basis of competitive excellence.

These points of conflict between the American taxpayer and his protector can only exist because we have departed from the basic American

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This is a process that must be stopped, for it can only destroy our free, competitive private enterprise system. And it must be stopped soon, for anyone who has watched the tidal wave of government control over private business knows—

IT IS LATER THAN YOU THINK!

Helps Uncle Sam Sell Real Estate

By M. W. NEWMAN
in Chicago *Daily News*

Earlier this month (March) a 61-year-old Chicago lawyer cleared his throat and began, "Mr. President . . ."

Attorney David H. Brill was talking to President Eisenhower at a cabinet meeting.

"For a moment I got a vision of a mental block," the brisk lawyer recalled, "but I kept going and talked for about five minutes."

The President and his Cabinet seemed quite impressed.

Brill, who has a background in the real estate field, has been an unsalaried consultant to the Budget Bureau since 1954.

He was reporting on his handling of a special project aimed at speeding up disposal of surplus real estate and property owned by the government.

There's a lot of it. It has a way of increasing by billions of dollars.

Uncle Sam owns at least 25 per cent of the real estate in this country. The exact value, if anyone knows it, is some mighty figure with a trail of zeroes.

Brill, in his government work, has looked at or studied the use of no little part of this property. The government owns a stack of things it doesn't use, or, in Brill's view, might well do without.

Included are factories, residences, land, wharves, overage military bases and, as they say, etc., etc., etc.

In 1954 Brill and his task force set out to make a master list of government-owned property. Each agency had been keeping its own records and no one knew the whole story.

Brill did not look into such things as national forests, parks, conservation areas and other public domain lands. "Even so, we found more than 11,000 installations (land plus buildings that cost more than $36 billion to acquire," Brill said.

In a still amazed way, he added: "I said billions, not millions."

"The biggest problem we had in making our review was with the Defense Department," Brill continued. "On grounds of security information, they wouldn't let us see what they had, but promised to make their own inventory."

Brill figures that since his review program began, the government has disposed of about $2 billion worth of real estate, netting about $600 million. This gave buyers an apparent bargain—but also reduced U.S. operating costs and returned property to income production and to local tax rolls.

Even so, the government holdings now has risen in vast leaps to about $40 billion and still are going up, Brill said.

"Our program, while not getting all of the results anticipated, acted as a sort of check on the inventory becoming even larger," he believes.

One of the many "reducing" proposals made by Brill was to have the 5th Army give up its Chicago Beach hotel headquarters. "We believed it should move to Fort Sheridan," he said. "But the Defense Department decided against it."

In one instance, Brill said, an unused tank plant costing between $40 million and $50 million was sold for $8 million. In another instance, the Veterans Administration was holding on to 1,000 acres near a city, while using only a small part of the property. As Brill's suggestion, the VA gave up the unneeded land.

In his report to the President, Brill said a constant review program on surplus property is needed in all agencies. His assignment is due to end by June 30.

He said he lost money on his $15-a-day expense allowance but figured the job was worth doing.

BRIEFLY TOLD

Britain's National Health Service is in the red again. Individual contributions will be increased. It was originally estimated that the plan would cost $490 million a year. Actual cost, in the next fiscal year, will be in the neighborhood of $2 billion.

* * *

Our lawmakers seem to be getting busier and busier. According to the Portland Oregonian, the 82nd Congress passed 594 laws, the 83rd passed 781, and the 84th passed 1028. It's likely that the current Congress, the 85th, will pass still more.

* * *

Great nations have decayed and fallen in the past because its people imbued with the pursuits of the moment, have become indifferent to the preservation of their liberties.—Hon. Howard W. Smith of Virginia.

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CONGRESSMAN UTT SAYS FEDERAL GOVERNMENT CAN DISPOSE OF PROPERTY

The Radio Edition of the Independent American (Box 4223, New Orleans 18, La.) in an interview with Congressman James Utt (R), California, brought out these points:

Kent Courtney: "Are you familiar with Stone's proposed (H. J. Res. 355) constitutional amendment?"

Congressman Utt: "Yes, I am. I am a hundred percent in support of it because I believe that the Federal Government could well dispose of six or seven hundred operations that are in competition with private industry and that those industries then would become self-supporting taxpayers instead of a tax drain. Every instance that we have had of disposing of federal properties have resulted in better services to the people, better products to the consumer, and a considerable amount of income tax paid to the federal government.

"The government does have a lot of land which it acquired during World War II, which could well be disposed of. I have in mind one little tract in my own county—640 acres, which is one section of land—which would sell for at least $700 an acre today. We have another parcel of 300 acres that has been declared surplus at least three or four times and still is held by the Army and when they release it then the Air Force takes it up and for 15 years there has been no activity on that land whatsoever, and it could well go back onto the local tax roll and bring the government in over a million dollars."

I do not dread these corporations as instruments of power to destroy this country; because there are a thousand agencies which can regulate, restrain and control them; but there is a corporation we may all dread. That corporation is the federal government. From the aggression of this corporation there can be no safety.—Senator Benjamin Harvey Hill (1878).

Ten years ago there were only two toll roads in operation in this country, with combined length of just over 200 miles, according to Tax Economics Bulletin. Now that mileage has been multiplied almost 15 times, and there are major toll roads in 16 states. Construction costs totaled $4,241,000,000.

FEDERAL GOVERNMENT LARGEST LAND OWNER

The U. S. Government now owns 772 million acres of land throughout the world, equal to about 40 per cent of the size of the United States.

The Federal Government owns nearly half of the land in the 11 states west of the North Dakota-Texas belt line, and 3.3 per cent of land in the Northeastern and North Central states.

Our free enterprise system depends on you and me. Its very life is being snuffed out by subsidized government competition.—Del Rio (Tex.) Chamber of Commerce.

GOVERNMENT IN BUSINESS UNFAIR COMPETITION

How would you like to have a competitor appear in your line of business who is furnished working capital without interest by the Federal government . . . who does not have to pay local, state or Federal taxes of any kind . . . who does not have to be concerned with making a profit—who sets his prices below yours, not only by the amount thus saved, but at a level more than 15 percent below the out-of-pocket costs, with Federal taxpayers making up that difference, too.—A. L. Hammell of the Railway Express Agency.

The Ten Pillars of Economic Wisdom

I Nothing in our material world can **come from nowhere or go nowhere;** everything in our economic life has a **source** and a **destination.**

II Government is never a **source of goods.** Everything produced is **produced by the people,** and everything that government **gives the people** it must first **take from the people.**

III In our modern exchange economy, **all payroll and employment comes from customers,** and the only worth while **job security is customer security;** if there are no customers, there can be no payroll and no jobs.

IV Customer security can be achieved by the worker only when the "boss" is allowed by **the worker** to do the things that **win and hold customers.** Job security, therefore, is a **partnership problem.**

V Money, when administered without the spending restrictions placed on government by the gold standard, **is no measure of the worker's true welfare.**

VI **Because wages are the principal cost of everything,** wage increases (without corresponding increases in production) simply increase the cost of the goods and **do not improve the welfare of the worker.**

VII **The greatest good for the greatest number** means, in its material sense, **the greatest goods for the greatest number,** which in turns means the **greatest productivity per worker.**

VIII All productivity is based on three factors: 1) **natural resources,** whose form, place, and condition are changed by the expenditure of 2) **human energy** (both muscular and mental), with the aid of 3) **tools.**

IX Tools are the only one of these three factors that man can increase, and tools come into being in a free society only when there is a reward for the temporary self-denial that people must practice in order to channel part of their earnings away from purchases that produce immediate comfort and pleasure, and into new tools of production.

X The productivity of the tools—that is, the **efficiency of the human** energy applied in connection with their use—is highest in a competitive society in which the economice decisions are made by millions of progress-seeking individuals, rather than in a state-planned society in which those decisions are made by a handful of all-powertul people, **regardless of how well-meaning, unselfish, sincere, and intelligent those people may be.**

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Since its function is primarily political rather than economic, the Government's responsibilities do not encompass competition with its own citizens in the fields of production and distribution.

Given the same conditions, there are no circumstances under which private enterprise cannot operate in these fields more efficiently than can Government. The only cases where, on the surface, this is not apparent are those in which through subsidies, freedom from taxation or improper allocation of costs, Government enjoys a definite competitive advantage.

The hidden deficits resulting almost inescapably from government-operated business competing with private business are always paid by the taxpayer.—*Industrial Press Service.*

FOREIGN AID, MUTUAL AID OR SUBSIDY?

Since the inception of foreign aid via the Marshall Plan the Council has consistently opposed same. It did this for a number of reasons. It did not then and does not now believe that we can buy friends; and further, experience clearly shows that we cannot strengthen our friends or deter our enemies by subsidizing socialism.

In writing about the Washington "clambake" staged by Eric Johnston I asked: if this foreign aid program has returned a major portion of the values claimed for it, why the necessity for this unusual effort to resell it to the American people?—Martin J. Condon, III *Southern States Industrial Council.*

THE AMERICAN WAY



"Prudence, indeed, will dictate that Governments long established should not be changed for light and transient causes; and accordingly all experience hath shown, that mankind are more disposed to suffer, while evils are sufferable, than to right themselves by abolishing the forms to which they are accustomed. But when a long train of abuses and usurpations, pursuing invariably the same object evinces a design to reduce them under absolute Despotism, it is their right, it is their duty to throw off such Government, and to provide new Guards for their future security."

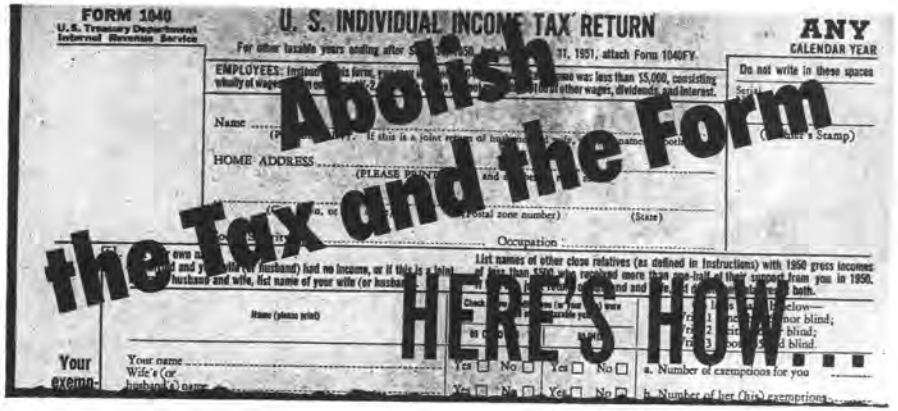
Declaration of Independence. July 4, 1776

The "Proposed 23rd Amendment" pending in Congress as H. J. Res. 355 seems to provide the legal process for abolishing the "abuses and usurpations" which threaten American institutions of freedom in our time.

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FIRST . . . . Require the members of Congress from your State to take immediate action on H. J. Res. 355 (reprint on request). It provides:

"Sec. 1. The Government of the United States shall not engage in any business, professional, commercial, financial or industrial enterprise except as specified in the Constitution.

"Sec. 4. Congress shall not levy taxes on personal incomes, estate, and/or gifts."

SECOND . . Require your own State Legislature to adopt a Resolution (sample forms available) requesting that this proposal be promptly submitted to the people of the States for ratification.

THIRD . . . Require every candidate for public office to declare his position on this basic question of public policy as the price of election.

FOURTH . . Join in the united program to preserve freedom for yourself, your fellow countrymen and for future generations, by adding this amendment to the Constitution.

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The Economic Facts of Life

By
FRED G. CLARK and
STANTON RIMANOCZY

From 1917 to 1934 we had a law known as Prohibition.

It made us a nation of unrepentant cheats and lawbreakers.

It was unrealistic, highly expensive to administrate and unenforceable.

It corrupted the administrators and the administrated alike.

It created the greatest criminal underworld of all times.

It lessened public respect for all law.

We now have a law called The Progressive Personal Income Tax.

Like Prohibition, it is unrealistic, highly expensive to administrate and unenforceable.

Like Prohibition, it has corrupted the administrators and the administrated alike.

Like Prohibition, it has made us a nation of unrepentant cheats and lawbreakers.

Like Prohibition, it lessens respect for all law.

Like Prohibition, it should be gotten rid of.

Although as old as history, the Progressive Personal Income Tax got its modern popularity through socialist writings, particularly those of Karl Marx.

Marx knew the notorious history of this tax and he knew its power to break down Socialism's greatest barriers—self-reliant, responsible constructive citizenship.

That is why, in the Communist Manifesto he stated: **To have Socialism, all you need is a heavy progressive income tax and confiscatory estate taxes.**

Have you ever stopped to think of the absurd principle on which this tax is based?

It is generally agreed that the man who owns a $40,000 home should pay 10 times as much real estate tax as the man who owns a $4,000 home, but why should a man with a $40,000 income pay, **not 10 times** the income tax of the $4,000 man, but **47 times as much?**

The $4,000 man might shrug this off as the "will of the people", but deep down inside he knows it is wrong.

How much cheating is going on?

The Department of Commerce estimates from 10 to 20% of taxable income is unreported.

The Treasury Department would rather not say how many billions are uncollected because of the people **who simply will not pay** and whose taxes are too small to make forced collection profitable.

It would take a **multitude of tax agents** to really enforce this law, and most small tax-payers know it.

What do people really think about breaking this law?

As an example, consider the Michigan doctor who had served out his prison sentence for income tax evasion, **and who was welcomed home by his fellow townspeople with cheers and a brass band!**

How about the Congressman who got caught with his report down and **had the law changed** to get off the hook?

This law is the tax-collector's key to every man's front door.

Conscientious reporting and observance is no protection against this invasion of privacy: the law is so vague, its interpretations so inconsistent, its demands so exacting, that almost **any** return can be challenged, and the tax-payer has no legal defense against expensive and exasperating harassment.

And it is so complicated that not even the taxcollectors can be sure of what they are doing.

As in the case of Prohibition, we are told that this law can never be repealed.

But Prohibition **was** repealed by the greatest force on earth—public opinion.

Except for social reformers, almost nobody likes this progressive personal income tax law.

Certainly the Treasury Department doesn't like it.

It is our prediction that it will be repealed and replaced with a better law **through the force of public opinion.**

And we don't think it will be very long.

The city of San Francisco operates three municipal utility services—a street railway, an airport, and a bureau of heat, light and power. During the last fiscal year these operated at a loss of nearly $6 million, which was made up by the taxpayers.

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STATE OF THE UNIONS—NOW

Continued on page Sixty-Five

tional" political material your local organizations need.

* * *

Here are some of the things individual businessmen should not do:

1. Don't be stopped by any of the usual arguments that political activity by business associations is against the law, or not in accord with tax regulations. Most activities which appear to be political are not against any Federal law whatsoever. The Treasury Department does not even have a regulation on the subject of political activity by business associations.

2. Don't rush out and start another organization until you are convinced that the ones to which you already belong will not do a political job.

If you are asked for increased dues for a political education program, be certain that it is what needs doing and that none of the usual association activities can be curtailed to provide the money.

Business organizations and associations must provide the leadership, the money, and the manpower for business political action. And they must DO IT NOW.

GOD'S PROVIDENCE

At midnight recently my fire burned down to embers in which laid embedded a stick of hedgewood. No flames enveloped it.

I laid pine kindling in the embers. They emitted a gray smoke, no flame. For some uncommon reason some thinner ones even disintegrated without flame. The smoke continued heavily.

Suddenly the entire mass of kindling flashed into flame.

I had been thinking all evening of the deperate plight of our country, of the hundreds of groups and organizations fighting the battle for America, amidst the millions of our citizens who have in their hearts this same battle.

As the sticks of kindling flashed into sudden flame I had a strong feeling that in the same manner the fight for America long simmering will flash into action that will beat down and flatten the destroyers whose path to date has been unchecked. Some sparks will ignite this, surely, in God's providence.

—J. S. Kimmel, Sr.

IS OUR MONEY BEING USED TO ENSLAVE US?

Continued from page Sixty-Four

government its chief weapon of persecution and control, our money. Indeed, an important nucleus, still voiceless and without direction, already exists, of which the older couple first mentioned are typical examples.

It may seem from this that I am not too hopeful of any release or relief from mounting government control, tyranny and persecution, through political means and methods. Just the same we should keep on using those means as best we can, on the chance that I may be totally wrong in my gloomy and sanguine appraisal of the present state of affairs.

But, should these means fail, as well they may, we still have the philosophical approach, the Ghandi technique. I suggest that we consider it, get it into blue print stage, just in case. For man was meant to be free. One day he must and will be free. The Holy War against tyranny and oppression must go on, until the last ugly remnants of slavery are banished from this earth.

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BOOKS

Reviewed by
Dr. Frank Cunningham

BENDING THE TWIG by Colonel Augustin G. Rudd, Heritage Foundation, Inc., Chicago. 304 pages, $3.95.

Here is required reading for all Americans who want to know the story behind the failure of American education in the era since the "progressive education" theorists, headed by such men as John Dewey, William H. Kilpatrick and Dr. Harold Rugg, professor of education at Teachers College, Columbia University, took over the black boards.

Recently this destruction of our old three "R's" has been thrust into headlines through the success of the Russians with their man-made moons. As Colonel Rudd points out basic subjects, including mathematics, physics and chemistry have been neglected for courses "with social aims and the remaking of society."

Rugg loaded his books with "arguments supporting statism and upholding collectivist doctrines as superior to sound American principles" in what Author Rudd says was "a severe indictment of our way of life."

The author points out that the stories of many American heroes and great moments in our Republic's history have been fading out of our text books. Instead the New Educationalists sought to remold the American school house into a breeding place for Socialism and rampant Internationalism.

American parents have worried at the too often successful capturing of their children's minds by the Communist-fronters in cap and gown. For years Colonel Rudd has fought to preserve American education against the powerful pressures of the "liberal" elements of such organizations as the National Education Association, the American Veterans Committee, and the Americans for Democratic Action. His Guardians of American Education, as early as 1940, sought to expose the impending onslaught on real common sense educational programs and procedures.

Parents who have seen the "why Johnny can't read" situation can well help out other perplexed parents who do not know the story behind so-called "progressive education". They can and should buy "Bending the Twig" and present it to their high school, college and public libraries. If the twig is to be bent—from now on let's bend it to the RIGHT!

LABOR UNIONS AND PUBLIC POLICY, by Edward H. Chamberlin. Philip D. Bradley, Gerard D. Reilly and Roscoe Pound. $4.50, American Enterprise Foundation, 1012 - 14th St., N.W., Washington 5, D. C.

The essential ingredient in the formulation of an intelligent public policy to deal with the rapid growth of labor union power is a thorough understanding of the nature, extent, and probable implications of the power position of organized labor today.

The 177 pages of this volume present very thoughtful and earnest efforts to analyze the legal, economic and sociological facets of this problem.

Dr. Edward H. Chamberlin in "The Economic Analysis of Labor Union Power" analyzes the changes in the power position of organized labor during the past 25 years, the monopolistic powers assembled, and the legislative remedies indicated.

Philip D. Bradley presents in "Involuntary Participation in Unionism" a systematic economic and legal analysis of involuntarism.

Gerald D. Reilly, in his study "States Rights and the Law of Labor Relation's' analyzes the jurisdictional conflicts between federal and state laws and outlines areas in which clear assignment of power is indicated.

Dean Roscoe Pound discusses "Legal Immunities of Labor Unions", surveying current features of the law on which immunities of labor unions rest and proposes some remedial action.

We should cut Government expenditures, not only to provide for additional weapons and balance the budget, but also to the point where we can have a tax reduction. This would be the greatest possible stimulant to recovery.—Herbert Hoover.

An aggressive movement is underway to make REA another potent instrument in the campaign to socialize the electric industry, and to create an eventual government monopoly in this field.—Industrial News Review.

ADVANTAGES OF AMERICAN FREE ENTERPRISE SYSTEM

❖ Continued from page 66

in Texas, an orange grove in Florida. It is a man wiping the sweat from his brow in the corn field of Iowa, a doctor preparing for surgery. It is a one-room schoolhouse in the mountains of Kentucky. It is a wadded section of the stock market reports from a morning newspaper and, yes, it is the grin on a little boys face as he tries to sell lemonade, "Only a nickel, mister." That's free enterprise. That's why our forefathers died. And it's what we must live for.

IT CAN HAPPEN TO YOU!

By Norman Goodwin

Here is the story how it took Jess Ritchie eight years and a half million dollars to defeat the Washington bureaucrats to get his product on the market.

While Washington do-gooders were busy complaining and giving 10,000 reason why it couldn't be done, Jess M. Ritchie went ahead and did something. When the smoke cleared away from the Capitol dome, these people were surprised to find him straddling the much-deflated chests of federal bureaucracy.

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FALSE FREEDOM

By E. L. DELANEY

The strange episode, the story of a reporter arrested by Red military police and held for having written anti-communist articles, is without parallel. The author spent the years of hostility in Slovakia and was in Prague when that city fell

He was imprisoned for 37 weeks, often on a starvation diet, only to be released in New York without having appeared before a scheduled grand jury hearing. This personal narrative reads like fiction, with factual dates, names, and places that help the reader understand more fully the intrigue of international functions in which the United States in now involved.

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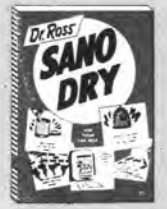


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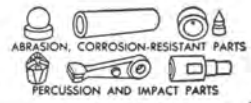
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UNCLE SAM VOTES

All of us cast a vote in November. But what is the voting for? What are the principles involved? How are they spelled out and applied?

Under the impact of political propaganda we have come to regard the ACT of voting as the primary function of citizenship and have less and less opportunity to use our vote in the determination of public policy.

How can we learn from candidates where they stand on the basic questions involving the protection of life and property?

We are, indeed, on the horns of a dilemma when questions of public policy are not included on the ballot and candidates strive for distinction without a difference in philosophy. This is truly voting blind.

Rarely is the American philosophy permitted in an election. When it is, the vote is decisive. The Democrats won in the 1932 national election because of the pledge to cut 25 percent from the cost of government (then nearly $4 billion per year) and remove government from all fields competitive with private enterprise. The Republicans, in turn, won in 1952 by much the same presentation.

Unfortunately, no effort has been made to remove government from direct competition with its citizens. Encroachments upon private enterprise have expanded so that today some 700 federal corporate activities have taken over 40 percent of the land area and 20 percent of the industrial capacity of the nation. Instead of the promised 25 percent cut, the cost of government has been increased 2000 percent.

Freedom has slipped through our fingers because we have glorified the ACT of voting rather than making sure that our vote is the clear expression of informed public opinion.

Freedom can be won again, as it was won in the first place, by imposing constitutional limitations upon those we elect to represent us. We can compel every candidate for state and federal office to take a stand on the "Proposed 23rd Amendment" now pending in Congress as H. J. Res. 355. It provides that:

> "Sec. 1. THE GOVERNMENT OF THE UNITED STATES SHALL NOT ENGAGE IN ANY BUSINESS, PROFESSIONAL, COMMERCIAL, FINANCIAL OR INDUSTRIAL ENTERPRISE EXCEPT AS SPECIFIED IN THE CONSTITUTION.
>
> "Sec. 4. CONGRESS SHALL NOT LEVY TAXES ON PERSONAL INCOMES, INHERITANCES AND/OR GIFTS."

People in every part of the nation are actively at work building the public opinion necessary to apply the principles involved in this amendment. Resolutions of support for the amendment are under discussion before organizations in all parts of the country. More than 6000 organizations have adopted such a resolution.

Petitions are also being circulated in all areas, requesting the Legislatures in the various States to require that Congress submit the "Proposed 23rd Amendment" to the American people for ratification.

Every reader of AMERICAN PROGRESS can serve the cause of freedom with great effectiveness now by putting into circulation the resolution and the petition through which the American people can apply their voice to this basic question of public policy. Copies of the petition and the resolution, together with supporting data, is available from the American Progress Foundation and the Organization to Repeal Federal Income Taxes. Address both organizations at 725 No. Western Ave., Los Angeles 29, Calif.

Write for this material today. Set yourself the task of bringing the resolution before every organization to which you belong and make it the key point for discussion by all organizations in your community. See to it that the petition is widely circulated. Have it signed by all your friends and associates and returned to the Western Avenue address in Los Angeles.

Remember: *No candidate has the right to ask for your vote until he tells exactly what he proposes to do with the power he seeks.*

Twilight of the Republic?

Editorial from
The Palm Beach Post-Times
April 13, 1958

Civilized life is not possible without adequate government. Yet government itself can be the greatest of social evils. The historic struggle of man to be free has been essentially an effort to subdue the State.

His first notable success came with establishment of the United States of America—a decentarlized form of government under a Constitution designed to protect the rights of the people, a system so arranged that its powers could not be used to exploit or enslave them.

It was undoubtedly the greatest political advance in the history of the world. And the Republic so founded—for a century and a half—was a model of freedom for the world, and a haven of opportunity for its citizens.

It seems incredible that a people so blessed should allow either the word or the spirit of that great Constitution to be debauched or destroyed. But, if we face the truth, we must admit that attempts to destroy it are gaining force while the majority of the people stand idly by, either in apathy or frustration.

Samuel B. Pettengill, former Indiana congressman who addressed two civic groups in the Palm Beaches recently, raised the vital question of whether the American people were not, in fact, facing the "twilight" of their Republic. And he offered documented evidence to indicate that they **are.**

Why? Simply because the American people have abandoned the system of government which made their nation outstanding. They have allowed themselves to be led, bribed, conned, frightened, cajoled, and pushed away from a system of indivisual initiative and free enterprise into the wasting disease that is the "welfare state."

Some also call it the "nursemaid state," but both terms are synonymous with socialism—the gospel of Karl Marx.

It Has Happened Here!

Socialism in America? It can't happen here!—we have been told, and are still being told, by many of our political leaders. But, says Mr. Pettengill, it not only can happen here—it HAS happened!

Government ownership of industry

is socialism. And when the federal government of the United States takes 52 percent of the profits of a corporation in the form of income taxes, it "owns"—in effect—52 per cent of the shares of that corporation. It need not actually own the cow, if it gets the milk—and it does.

If you have any income, the government owns a "share" of you, too. Depending on the amount of your earnings, the federal government will demand from 20 per cent to 91 per cent of it to finance its ever-expanding operations.

This income tax not only is evidence of the existence of socialism in America; it is the crack in the Constitution through which socialism slithered into the "land of the free," and it is the trough at which "big government" swells and grows fat.

History may record that the "twilight" of the American Republic began in 1913 when the Sixteenth Amendment to the Constitution was adopted, authorizing the federal government to levy an income tax, "from whatever source derived without apportionment among the several states, and without regard to any census or enumeration."

That amendment was the first grant of unlimited power conferred on the federal government. There is nothing now in "the law of the land" to prevent its being used to legally confiscate ALL of incomes over a certain amount—or, for that matter, ALL incomes.

Enforcement procedures of this law have reversed the basic American principle that man is presumed innocent until proven guilty. Anyone suspected of evading payment of federal income taxes is presumed to be guilty, until he can prove his innocence—if he can.

And perhaps even more important, in its effect on the American system of government, the income tax law has provided the weapon by which all Constitutional limits on the powers of the central government may be wiped out.

It is axiomatic that "the power to tax is the power to destroy." Marx recognized it. In his **Communist Manifesto** he advocated the steeply graduated income tax as an instrument for social revolution.

The Great Tax Swindle

It is being used as such an instrument in these United States. Says Mr. Pettengill: "Modern governments . . . tax away the earnings of their people, and then dole some of it back to them in subsidies, gifts, grants in aid, and the award of huge government contracts. By this process they become the masters of men, and cease to be their servants."

The historic relationship is reversed. Instead of government coming to the people for its support, the people come to the government for their support. The great "power of the purse," by which representatives of this nation once held the executive branch in check, has passed into the hands of a political Santa Claus. And this Santa Claus does not carry a bag—the taxpayers are left holding it.

The more money a government has to spend, the more it spends; and the more it needs —to consolidate its power over those who must come to it as beggars. In the name of "emergency" and under increased demands for more and more "benefits," the government lives beyond even its swollen income, amasses an enormous debt. And, imbued with the philosophy of the Welfare State, the government tends to become of, by, and for pressure groups.

The promise of cradle-to-grave security weakens economic incentive, tends to make men financially irresponsible and reduce them to the moral level of dependent children. Why should a man struggle to provide for himself, to lay something by for a "rainy day" to protect his family from want, when a paternal state promises to do those things for him?

The Death of Security

The desire for "security" replaces the desire for opportunity, which is the mark of a vigorous, liberty-loving people. But even though the citizens of a Welfare State give up their liberties one by one for the protection of a paternalistic government, where is their security?

The tax-and-spend program of such

Turn to next page, please

TWILIGHT OF THE REPUBLIC?

Continued from preceding page

a government is inevitably accompanied by its twin—inflation. And inflation is the death of security.

Escalator clauses in labor union contracts give a worker a certain precarious security during his productive years. But what happens to his life insurance policies, his government bonds, his bank savings, his pension, his social "security" benefits—on which he must depend to provide for the sunset years?

A big chunk of them are stolen by inflation—stolen by a government whose policies breed and foster inflation. It has been estimated that during the period from 1945-51, inflation caused purchasing power losses of $125 billion on savings bonds, time deposits in banks, and life insurance policies alone. That is approximately 65 times the losses incurred by depositors in banks in the years 1921-33.

One of the surest ways of wrecking a nation's economy, Mr. Pettengill pointed out, is to debauch its currency. History is replete with instances of this tragedy. For a government to embark on a course which will rob the thrifty, the aged pensioner, the widow, and the orphan by planned inflation is just as immoral as armed robbery on a dark street.

That is what happens when taxation and government spending get out of control, as they obviously have in the United States today. The trend has gone so far that neither Congress nor the people know the full truth about our fiscal affairs. And neither Congress nor the people have control of them. This function has been taken over by the Washington bureaucrats who now wield more power—through their control of where and for what tax monies will be spent—than either our elected representatives or the President.

"Night" Need Not Fall

Certainly all of this sounds like the "twilight" of our Constitutional Republic. But "night" need not fall if Americans awaken to their duties and responsibilities.

Through a program of education, the some-thing-for-nothing philosophy that has been spreading its blight over this nation since the days of the "New Deal" can be shown in its true light, and the principles which made America what it is brought back to respectability.

Our youth—yes, and many of their elders—must be taught the meaning of the Constitution; they must be taught American history; and they must be taught basic economics. In short, they must be taught Americanism, instead of the foreign "isms" that have already made such dangerous inroads.

It CAN happen here!

It can happen that our great Charter of Freedom, the Constitution of the United States of America, be restored to its original purity and strength. And it can happen that freedom and opportunity will be thus reborn to bless our children, and their posterity.

But it can happen only if many Americans, like Mr. Pettengill, refuse to "give up the ship."

AAPS Fails to Get Tax-Exempt Status

By IDA DARDEN
in the Southern Conservative

The Association of American Physicians and Surgeons is an organization composed of outstanding medical men who are gravely concerned in the future of the Republic.

Among their objectives is the dissemination of literature in opposition to Socialism not only in the medical profession but in all areas of human activity.

They have carried on an effective campaign to acquaint the school children of the nation with the superior advantages of the American free enterprise system and have sought to impress them with the high degree of human freedom granted them under the American Constitution and the Bill of Rights. Opposition to the Socialization of medicine has been one of the valuable services rendered by this great organization.

Like all non-profit organizations whose activities are educational and devoted to the public good, the Association of American Physicians and Surgeons rightly felt that they were entitled to tax-exemption granted liberal groups in order that they might more effectively carry on their program.

But when they applied for this exemption they ran into a snag in the form of one Russell C. Harrington, Commissioner of Internal Revenue, whose remarkable interpretation of the rules granting such exemption places the Department of Internal Revenue indirectly behind those who advocate Socialism and against those who seek the return of Constitutional Government in the United States. If we had not seen Commissioner Harrington's letter of refusal, we would find it difficult to believe that such an oblique defense of Socialism and repudiation of Americanism would be committed to writing by an official of the American government.

Commissioner Harrington wrote: "Opposing Socialization of the medical or other segment of the economy or supporting the principles of individual liberty and freedom of individuals in the medical profession or elsewhere, the dissemination of information on the advantages of our American free enterprise system, or support of the principles enunciated in the Constitution or Bill of Rights, are not, in our opinion, per se educational functions or objectives . . . and you are not entitled to exemption from Federal income tax . . ."

"The Internal Revenue Service takes the position that an organization which advances preconceived opinions about current problems with a view of creating public sentiment favorable thereto is not educational within the meaning of . . . the code unless the methods used are strictly educational," Mr. Harrington continued. "In furthering its objectives there must be a fair and full presentation of all pertinent facts and information upon which it bases its opinion whereby the public may reach independent conclusions . . ."

Accordingly, the Association of American Physicians and Surgeons is not going to get tax exemption in order to fight Socialism. . . .

• • •

Meantime, the American people who are concerned for the future of the Republic should ponder long and seriously on the official position of a department of government which holds that the dissemination of information concerning the American free enterprise system, the Constitution and the Bill of Rights is of no educational benefit or value to America's citizens of tomorrow.

INTEREST ON FEDERAL DEBT

Interest cost on the national debt has risen $1.2 billion since 1953. Thus, a smaller part of each tax dollar goes to pay for actual government service; a larger part to those who lend money to the government through bonds and notes.—Junction City (Ore.) Times.

Suicide of American Freedom

Condensed from a bulletin issued by the Tennessee Independent. This organization seeks to restore constitutional limitation upon the federal government.

"That this nation, under God . . ."

Reverently and humbly, the founders of our nation sought divine guidance in writing the creeds that became the heart of this independent land.

In its first sentence, the Declaration of Independence speaks of "the **Laws of Nature** and of **Nature's God**" and the final sentence of this same document expresses a "firm reliance on the protection of **Divine Providence.**"

The Articles of Confederation, which preceded the Constitution, declare, "It has pleased the **Great Governor** of the world to incline the hearts of the legislatures we respectfully represent in Congress to approve of, and to authorize us to ratify, the said Articles of Confederation and perpetual union."

Engraved on the hearts of these Americans who had just won freedom from BIG GOVERNMENT in England was the belief that a force greater than man had created the universe and in so doing had imposed certain Natural Laws which would always prevail over man-made laws. To make certain that the newly formed government would never usurp forbidden power and attempt to legislate against these Natural Laws, our forefathers spelled out in detail the power of the new federal government and its limitations. They sought thus to protect the citizens of the respective states against undue interference with their private lives.

Here, for the first time in human history, man called upon GOD to aid him in forming a government dedicated to the principle that each individual citizen answer to GOD; that each citizen should be free to work out his own spiritual and material destiny; a government whose restricted powers came from the citizens themselves; a government prohibited from ever usurping tyrannous powers.

Political Fraud

Some fifty years after the Constitution of the United States was ratified, another creed on human government was written: the Communist Manifesto, by Karl Marx and Frederic Engels. Their rule book is based on pure materialism, devoid of all spiritual values. Denying the existence of God and the Laws of Nature, they held that the individual citizen has no rights and is incapable of living his own life: that the STATE is all powerful and the individual lives only to serve the STATE.

They outlined a plan for communist conquest of the world and prescribed certain steps to accomplish this. To destroy the nations that believed in God and in individual freedom, they called for the imposition of a steeply graduated income tax and a confiscatory tax on inheritances. They knew that such a system of taxation would not only provide the central government with money, which is power, but it would gradually confiscate existing accumulations of private wealth and prevent such further accumulations.

Therefore, to legalize the taxing system which the communists prescribed for our own self-destruction, it became necessary to amend our Constitution. This tragedy was accomplished in 1913 when the 16th Amendment (sponsored by a Tennessee Congressman named Cordell Hull) was ratified by the unsuspecting legislatures of the various States.

Thus, with the power to tax without limit firmly lodged in Washington, the New Deal eventually seized full control in 1933 and proceeded to socialize America passing laws which concentrated in Washington powers prohibited by the Constitution.

For four years the people were protected by the Supreme Court against this arrogant centralization of power. The New Deal laws were declared unconstitutional, one after another. Enraged to the point of desperation, Roosevelt madly strove to pack the Supreme Court with justices favorable to socialistic controls. However, his brazen attempt to increase the number of justices on the Court was roundly rejected by an aroused Congress.

In the intervening years, as vacancies have occurred, men with little or no judicial experience have been appointed to the Court for political considerations. This practice has been openly followed by Roosevelt, Truman and Eisenhower.

So, today, instead of being a bulwark against socialism, the Supreme Court has gone overboard in the other direction. Recent opinions completely reverse long-standing decisions of the Court and violate the Amendment which specifies: "The powers not delegated to the United States in the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

Twenty-five years of political fraud has changed the function of the government in Washington from that of protection of the individual under God's laws to that of special privilege for pressure groups from political masters. Instead of being a nation of free men under God, we have been dragged back by today's power-drunk politicians into the bondage of BIG GOVERNMENT—from which our ancestors shed their blood to escape.

Freedom Can Be Restored

Any law that Congress passes, Congress can repeal—and will do so as soon as enough people back home demand its repeal.

Any tax law can be repealed as soon as the need for the expenditures is removed, without in any way affecting the legitimate and constitution functions of government.

A proposed Constitution Amendment (House Joint Resolution 355) is now before the Congress. This would force government out of un-American and un-Constitutional competition with its own tax-paying citizens. It would stop the wasteful socialistic spending of over $30 billion yearly, and thus permit the repeal of the personal income tax, which totals this amount of money.

It is our hope to find true patriots in each of the congressional districts, in each of the counties and in each of the voting precincts who will serve as chairmen and work to enlist other patriots in this crusade to rescue America from godless, Marxian socialism.

This, then, is a crusade to furnish a common meeting ground for those who refuse to surrender their trust in God, their love for America, and their desire for human freedom—regardless of their economic status, regardless of their color and regardless of their religious faith.

TOM ANDERSON:

Straight Talk



Reprinted from *Farm and Ranch*

What a wonderful thing it'd be for the nation if every citizen could get to "know Washington." Like the lady said about Tom Dewey, "You have to really know him to dislike him." I have recently had the nauseating privilege of again visiting the Congress, some members of the House Agriculture Committee, a senator and assorted bureaucrats. Last month's tape-recorded interview, "Direct Payment Idea Dead? Don't You Believe It," was one reason for the visit. First call was on Georgia's first-termer, Herman Talmadge. I opened the conversation diplomatically with, "Senator, I'm surprised and disappointed in you. I have looked on you as a leading advocate of States Rights, Constitutional government, conservatism—why are you sponsoring this disguised 'Brannan Plan' of yours?"

In his Claghorn voice he boomed, "Tom, I read your editorials. You and I agree on practically everything. There is just one big difference in us: I'm a realist and you're an idealist. It took me just 18 months to find I couldn't beat 'em, so I had to join 'em. No use in being a Don Quixote. You know he never got anywhere fighting windmills."

"In other words, you're going to sit here and see the country slip headlong into Socialism and not do anything about it? You're just going to relax and enjoy it and get re-elected?"

Complete Socialism in 25 Years

"Tom, people I talk with here believe that the United States will be 100% socialistic in 10 to 25 years. It can't be stopped."

I answered a bit sadly: "Yeah, Khrushchev says that same thing, and that they'll bury us. What better way to die, now or 25 years from now, than fighting for freedom?"

The next interview was with Congressman "Took" Gathings of Arkansas, fair-haired boy of the East-Arkansas planter set. Mr. Gathings blew his top at some questions I asked, and said he wished he hadn't granted the interview. So do I.

More talkative and miltownish was Mississippi's Congressman Jamie Whitten, who seems to share Senator Talmadge's feelings. Whitten said, "I've been fighting this thing (Socialism) 12 years. It's hopeless." Congressman Whitten's "answer" to the farm problem is to let the middleman—the processor and seller—pay the price supports instead of the government. Whitten contends the middleman makes too much and could pay the farmer higher prices without increasing retail prices of food and fiber. He believes that "buyer resistance" would prevent further price increases. I predicted that we'd both live to see a 50 cent loaf of bread. It's hard to "resist" necessities. Whitten asked, "Why jump on agriculture? Everybody is subsidized." He suggested that Sec. Benson should be rotated among departments of the government. Benson reminds him of the depression-time custom of the North Mississippi farm community in which he grew up. Times were so tough the community was unable to afford a preacher. "In view of the ability of some of our visiting preachers to eat, frequently during revivals different families in the community would keep the visiting preachers for a day and night, after which some other family would take on this expense. The President should pass Mr. Benson around. Unless the Labor or Commerce or some other Department gets Elder Benson for a time, he is going to eat the farmers out of house and home," according to this Mississippi Democrat.

I agree with Congressman Whitten—I'd like to see Benson passed around. I'd like to see him President.

Next statesman I rallied 'round the flag with was Congressman Harold Cooley of North Carolina, Chairman of the House Agriculture Committee, a 12-cent politician. (He was a two-bit politician when we had a 100-cent dollar). Chairman Cooley's heart bleeds so profusely for North Carolina farmers that he has to get periodic transfusions from the union labor leaders he plays footsie with. (Swap-out support for $1.25 minimum wage in return for 90% parity.) Cooley pontificated, "The Brannan Plan was just too complicated, tried to cover too many commodities . . . Anybody who believes agriculture can ever be free from controls and subsidies is stupid. If we had the kind of farm program you favor, I'd sell my farm tomorrow."

"Why don't you?" I answered. "Why should the taxpayers have to pay you twice?"

"But what about those poor people Congressman Cooley gives employment to on his farm?" butted-in one of the Congressman's secretaries.

"If land prices," I replied, "hadn't been forced up by absentee, taxreduction, inflation-hedging, soil-banking business and professional men, maybe those poor people the Congressman hires could afford to own their own farms." Thus the interview with the advocate of uncomplicated socialistic programs ended.

Next thrill was seing Texas' Congressman Bob Poague. Nothing of any value came out of fencing with this particular windmill, who uses economic laws and statistics like a drunk uses a lamp-post: for support instead of illumination.

Get the Government Out

A two-price plan — Talmadge's Whitten's, Cooley's or anybody else's—will waste more billions of dollars, produce more surpluses, more Socialism. Under the present foreign dumping program, as surplus goes down, price supports go up, thus rebuilding surpluses.

Price supports and controls have dried up markets, caused overproduction and surpluses and lowered farm income by $2 billion a year, say USDA economists.

Dr. Herrell De Graff, noted Cornell Agricultural Economist, says: "Over the past 35 years, during which so-called surpluses have been almost chronic, a modest 2% increase in livestock could have eaten up all of the surpluses. This would have happened had agriculture been free."

Government control will work only in Heaven where they don't need it or in hell where they already have it. Let's get the government out! Let's set the farmer free!

Governmental power grows upon that on which it feeds. Give an agency power, and it at once tries to reach out after more. Its effectiveness depends upon increasing power.—*Samuel Gompers.*

DAR Resolution Supports H.J. Res. 355

The following resolution has been prepared for distribution by the National Defense Committee of the National Society of the Daughters of the American Revolution:

Income Tax and Free Economy—Article I, Section 8 of the Constitution of the United States of America: "1. The Congress shall have power: To lay and collect taxes, duties, imposts and excises, to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts and excises shall be uniform throughout the United States."

Fourth Amendment to the Constitution of the United States: "The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated . . ."

Remarks: All the Internal Revenue Department needs to say is: Let me see your private papers and records, how much you made last year, etc.

Fifth Amendment to the Constitution of the United States: ". . . nor shall private property be taken for public use, without just compensation."

Remarks: Isn't money private property, and what compensation does the American taxpayers derive for instance, from the billions of their money given in foreign aid?

Sixteenth Amendment to the Constitution of the United States: "The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several states, and without regard to any census or enumeration."

Remarks: This Amendment is so loosely worded that it lends itself to whatever interpretation is desired When it was approved in 1913 the citizens trusted the Government and never would have imagined the tax situation we are experiencing today. **Karl Marx advocated gradual progressive taxation. We are demonstrating this communistic plan.**

The following Amendment to the Constitution of the United States (H. J. Res. 355) is now pending in Congress:

"Section 1. The Government of the United States shall not engage in any business, professional, commercial, financial or industrial enterprise except as specified in the Constitution.

"Section 2. The Constitution or laws of any State, or the laws of the United States shall not be subject to the terms of any foreign or domestic agreement which would abrogate this Amendment.

"Section 3. The activities of the United States Government which violate the intent and purpose of this Amendment shall, within a period of three years from the date of the ratification of this Amendment, be liquidated and the properties and facilities affected shall be sold.

"Section 4. Three years after the ratification of this Amendment the Sixteenth Article of Amendments to the Constitution of the United States shall stand repealed and thereafter Congress shall not levy taxes on personal incomes, estates, and/or gifts."

Competent authorities agree that when federal, state and local taxes exceed 25 percent of our national income we are well on the road to government socialized economy. We have already passed this figure.

According to the latest reports, the government in competition with private ownership is operating some 700 business enterprises. These federal corporations are princes of privilege and they represent a loss to the American taxpayer of $28,500,000 in taxes each year. This is on the 1954 level. If the 700 businesses now being operated by government were sold, the millions received could be applied to the government debt. If this were done we should be able to reduce government employment from about 2,400,000 to roughly 900,000. We are now living in an atmosphere, created in the last 20 years, which roughly now controls 20 to 25 per cent of our whole economy.

Income Tax and Free Economy

Whereas, Unlimited money in the hands of government means unlimited power; and

Whereas, the Federal Government has been given much of this power through passage of the 16th Amendment (the Federal Income Tax Law), which has led to steadily increasing centralization and socialism, notwithstanding the fact that the several states already have the power to tax; and

Whereas, In the plan to destroy our system of government, the Communist Manifesto calls for a heavily graduated income tax, abolishment of the right to inheritance through taxation, thereby inducing America to spend herself into National bankruptcy;

Resolved, That the National Society, Daughters of the American Revolution urge the repeal of the 16th Amendment and support the proposed 23rd Amendment, H. J. Resolution 355 which would remove the Federal government from the field of private business in competition with its own citizens and re-establish Constitutional protection of our free economy.

The powers delegated by the proposed Constitution to the federal government are few and defined. Those which are to remain in the state governments are numerous and indefinite.—James Madison.

MARX'S PLAN OF ATTACK

One hundred years ago Karl Marx published his Communist Manifesto attacking the capitalistic or private enterprise system with its right of private ownership. His plan of attack was outlined in a platform of ten planks, two of which related to taxation. They are as follows:

1. "A heavy progressive or graduated income tax."

2. "Abolition of all right of inheritance"—in other words, a 100% inheritance tax.

By this means Marx knew that he could dry up the sources of capital and ultimately destroy the capitalistic system and establish communism in its stead.

The taxing power, which was aptly stated by Chief Justice Marshall "involves the power to destroy," was correctly recognized by Marx as the most potent weapon at his disposal to accomplish his objective. Any tax that would dry up the sources of capital would in the end destroy the capitalistic system.

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One-way Street

By DR. ALFRED P. HAAKE



Alfred P. Haake

Once caught on a one-way street, you can go in only one direction. If you don't like that you can get off the street, or have the rules changed. Inflation is such a street. A little inflation leads to more inflation and grows cumulatively worse, unless we stop forces moving in that direction.

Another is collective bargaining as conducted by union leaders with growing political and monopoly power. In the market place of free men, people can bargain, give and take with mutual profit. But when bargaining is conducted between business management held in leash by anti-trust laws, and labor leaders permitted to ignore laws which bind management, we are on a one-way street. That way is toward higher costs and prices, inflation and still greater power for men who can take practically what they want, so long as it is there to take, without regard to common best interest.

In the last analysis it is the people as a whole who pay the price.

A vital part of that price is the breakdown of institutions to protect individuals in their person and property. As stated by the Sheboygan County Ministerial Ass'n in reviewing activities of the UAW-CIO in the Kohler strike and especially the attempt of UAW-CIO Sec.-Treas. Mazey to intimidate the court: "This is the road to lawlessness and violence."

On March 10, 1958, Senator Barry Goldwater of Arizona replied to the proposal of Walter Reuther, UAW-CIO President, in Detroit, Mich., for a committee of ministers to judge between Goldwater and Reuther. All should read that letter. Goldwater says, in part: "For you to attempt now to frame the situation in terms of a personal vendetta is, in my opinion, an attempt to obscure the shocking facts disclosed by the present investigation of the strike against Kohler."

Further on he writes: **"Since you profess to be concerned with the problem of social responsibility, I would suggest that you carefully review the sworn testimony of your own people as presented to date before the present committee hearing. Your tolerance of and acquiescence in such activities would be a measure of your sense of social responsibility."**

There follows a recital of acts revealed in the hearing. The story of Willard Van Ouwerkerk, Kohler employee, struck from behind and, while unconscious on the floor, stomped on and kicked by one William Vinson, UAW international organizer from Detroit, engaged in building up "morale" for the strikers. Vinson caused his victim to go to the hospital with broken ribs, a punctured lung and subsequent pneumonia. For this unprovoked assault Vinson was sentenced to two years imprisonment. Clergymen, the public generally, and the Supreme Court of Wisconsin, upheld the decision of the judge. But the UAW-CIO led by Emil Mazey, a Reuther lieutenant, went into the judge's town and set out to destroy him financially and professionally. The clergymen who protested this insolent action as "an attack upon the fundamental institutions which undergird our common life," were denounced by Mazey in the public hearing, as "men without integrity." The union officials did not punish Mr. Vinson. Instead, they paid him while in prison and also paid all his fees and expenses in his criminal trial.

Must we continue down that one-way street, with labor leaders holding themselves above the law? Or can we break the political shackles fastened on our necks?

Arguing before U.S. Supreme Court on Dec. 4, 1956, Joseph L. Rauh, Jr., counsel for UAW said, "One cannot draw a line between bargaining and politics. Bargaining is supplemented by legislation, and legislation is supplemented by bargaining."

There is the key to remedy for failure to protect our country from disregard for the rights of person and property of those with whom those leaders come into conflict. Let every citizen, including business and professional men, who has shunned participation in politics as something beneath his dignity or comfort, take active part in the government of his community and nation.

We must study the basic issues, inform ourselves as to the facts, take positions on principles and then work for votes to support those principles. The strangle hold of labor leaders on politics must be stopped by YOUR active participation in politics, everywhere in our country.

All of us must stick out our necks in dedicated effort to send to Congress and every other legislative body and office, men who will work without fear or favor for the best interests of our country against the power and influence of any would-be dictator, and who will enforce the law without prejudice against anyone who violates the person and rights of his fellow citizens.

It is so that we may still save America from going down the one-way street to destruction.

Those who would resort to tremendous deficit spending as a temporary expedient in recession, disregard the long-run evil they do in terms of the value of our money, cost of living, welfare of fixed income people, and our fiscal soundness which involves our democratic institutions and our form of government.—Senator Harry F. Byrd.

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Emulating Rome

By GEORGE PECK

Edward Gibbon (1734-1794), the noted English historian, in his five-volume work, "The History of the Decline and Fall of the Roman Empire," listed the five principal causes that were responsible for the decay of that once great empire.

An examination of those five causes cited by Gibbon should give every thinking American cause to think and be disturbed. The United States of America definitely is nursing within its bosom the seeds of those things that brought about the decline and fall of the Roman Empire. Let's examine them one by one and see what a deadly comparison there is between what transpired in Rome so many centuries ago and what is now going on today in the U.S.A.

Gibbon listed as the first of the five principal causes, **the rapid increase in divorce and the undermining of the sanctity of the home.**

Well, we don't have to stretch our imaginations to realize that divorce has become a serious menace to our American society. Our divorce laws are making it easier and less costly to obtain a divorce, and as one observer has describe the process, "divorce has made of marriage almost a mockery and a license for legal prostitution."

The prevalence of divorces has led to the breaking up of millions of our American homes—and is in large degree responsible for the growth of juvenile delinquency.

As his second of the principal causes for the Fall of Rome, Gibbon named **the spiraling rise of taxes and extravagant governmental spending.**

Here again we are emulating Rome. We've reached and passed the limit of taxation here in the U.S.A. that any economy can take and long survive. Even as this is being written President Eisenhower is asking the Congress to up the national debt limit by $8 billion. This piles on top of an already staggering debt that most economists are agreed can never be paid off. We are making the Romans look like pikers when it comes to exorbitant taxes and wild, extravagant spending.

Number three on the Gibbon list was the **mounting craze for pleasure and the brutilization of sports.**

America qualifies on the first part of this. There can be no denying that all too many Americans are pleasure mad. We haven't got around as yet to "the brutalization of sports," but we will unless we reverse ourselves. We'll become bored with ordinary, unharmful pleasures and sooner or later, to satisfy the pleasure appetite resort to brutality in sport.

Number four given by Gibbon as a cause for the degeneration of Rome is the most disturbing of all—**the building of gigantic armaments and failure to realize that the real enemy lay within the gates of Rome in the moral decay of its people.**

We know that here in America today we are building gigantic armaments. That is just good common sense—we must keep our military power at a peak—we must match or outmatch the military strength of another nation that believes that "might is right." But let's face it—we are losing the battle to that other nation right here at home—even our Supreme Court, supposed to be our bulwark and protector, has made and is making decisions that are enabling this other nation, its friends and supporters to undermine our safety right here at home. This is more to be feared than any bombs they might drop on us. It is a further evidence of our moral decay that we have not been more vociferous in our demands that Congress enact laws to restrain our Supreme Court from **making laws** and get back to its constitutional function of **making rulings on laws.**

As the fifth and final principal reason for the fading of Rome from its place in the sun, Gibbon ascribed **the decay of religion, the deterioration of faith into a mere form, leaving the Romans without any spiritual guide.**

Here, we still seem to be on safe ground. There are many evidences there is a resurgance of religion in the U.S.A. But even here we can fail unless we begin to straighten out on divorce, exorbitant taxes, extravagant governmental spending, our mad rush for pleasure and our failure to set up guards against the enemy within our gates. It is inevitable that unless we do an about-face on those important things, even America's religious faith will be contaminated and destroyed.

Yes, Gibbon has given us something to think about and be disturbed.

It (Government Unlimited) is at once the most diabolical, the most treacherous, and the most uncontrollable force known to man. . . . While man has learned to cope with the forces of nature, he has never yet learned effectively to cope with this force he himself creates.—Malcolm McDermott.

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How Recessions Are Made

By JOHN T. FLYNN

Perhaps no other subject has been using up so much printers' ink as a thing called the recession. Of course, without delay, our government reaches into its old patent medicine cabinet for the sovereign remedy for all political and economic ills—spending and more spending. In obedience to this urge the President asked Congress to authorize him to borrow some more billions so he can spend us out of the so-called recession. Having spent us into a recession with our billions, it is now proposed to spend us out of it in the same way.

Perhaps the curious reader might like to know what caused the recession. There is nothing mysterious about it. It is one of the oldest of social ills. The cause of recession is a thing called the boom. The recession is an economic disease which afflicts a country when the politicians—and sometimes badly advised businessmen—set out to create prosperity by creating a boom. The standard method of creating a boom is to inspire either business or the government to go off on a big borrowing and spending spree.

One of these sprees followed World War I. Borrowing and spending, of course, have their uses. But a reckless element in business plunged headlong into borrowing at the banks, printing bond and stock issues for sale to the gullible public. The big point to keep in mind is that all this is made possible by printing bond and stock issues and selling them to individuals groups, who in turn borrow on them from the banks. Thus the great circus goes trumpeting along until one day, somebody seemed to wake up. The banks couldn't lend any more; the people would not buy any more railroad or utility or industrial stocks and bonds. Then folks began flooding the stock, bond and commodity exchanges to sell their stocks and bonds in that wild scramble which came to be known as the great crash. It ushered in the Great Depression, which drove the Republicans out of power and put the Democrats in for five terms.

We never got out of that slump until Europe went off on another of its crazy wars. It was World War II which lifted us out of the depression and sent us soaring on the wings of the craziest and gaudiest boom of all. And, of course, that war and post-war boom was created, not by private borrowing, but by government borrowing. The National government debt is now around 280 billion dollars four-fifths of it created by the last war. All this money—money created by printing bonds—is still floating around. But it, and the boom it created, is losing its vigor. It is losing its vigor because all this spending of borrowed money sends prices soaring. What is more, the government bond issues which created this boom have a way of coming due. Then the government has to issue new bond issues to pay off the old ones. At this point the government has to pay twice as much interest to gets its bonds sold. One bond issue which carried 2½ percent interest had to be paid not long ago by issuing a new bond at four percent.

Added to the problem of servicing the bond issues as they come due, there is the additional serious phenomenon that this flooding money sends prices skyrocketing, so that the money we get for our work and our goods is not worth what it once was. It won't buy as much as it once did. We might well feel some sympathy for the President who finds himself trapped in this grave situation. But we have to note that our President, caught in this frightening dilemma, seems unable to think of anything else to do but to borrow some more—which in the end can only add more fuel to the flame.

This is one of the oldest rackets in history — government borrowing and spending to create a boom. Through the ages it has ruined kings, broken princes, and wrecked great kingdoms and republics. How will it affect us? Well, one day the politicians will have to step out of the picture and call in the services of those who understand the problems of money and debt. For the present, all I can see so far is an effort to keep the old ship afloat for another two and a half years to keep the present puzzled captain and crew from drowning.

QUOTE OF THE WEEK

Capital punishment is when the government taxes you to get the capital in order to go into business in competition with you, and then taxes the profits on your business to pay its losses. — from Rotary Reminder.

ANOTHER SERIOUS LOOK

It is time for the American people to take another serious look at its Social Security Act. Security is an important factor in the lives of most people. It becomes increasingly important as they approach retirement age. But security at the expense of initiative is another matter.—Carlsbad, (N.M.) *Current-Argus*.

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What's Become of Uncle Sam?

By VOLLIE TRIPP

A person would have to be insensible to the momentous events of our times not to notice the ominous changes that have taken place in the people's attitude toward government, and in government's attitude toward the people. This is proved in the all but complete disappearance of the symbol "Uncle Sam", in his long striped pants, and star bedecked hat.

For many years Uncle Sam was revered as a smiling prosperous old gent, who interfered as little as possible in the affairs of his subject nephews. Now we never, almost never, see this benevolent old figure any more. Why? It is because the entire nature and character of the Federal Government is changed. Government is no longer a fit subject for the once familiar figure. The symbol is no longer appropriate. Government now inspires fear, deep resentment among millions, and growing concern among the nation's most thoughtful citizens.

The change has come about slowly, so gradual many have not noticed it. But in that fateful year, 1913, the historic concept that government exists for the people officially came to an end. From the hour the 16th Amendment became law, government became the master, the people potential serfs. From that hour the people gave to government the power of life and death over every citizen.

It is true government did not use its fearful power at once. This would probably have brought revolution. It chose a slower, but safer way, applying its power a little more each year. Now it has won 40 percent control over the lives of every man, woman and child. It is inexorably reaching for 100 percent control.

Government moved cautiously and cleverly for two decades after winning its first real victory over the people. Now we may logically expect the process to be speeded up. The techniques of using the people's money to enslave them has been perfected. There is no longer reason why "Uncle Sam" needs to use caution in extending its power toward the goal of absolute control.

Yes, "Uncle Sam" has all but disappeared from the pages of our papers and magazines. Another concept once loudly iterated, is seldom heard any more. This is the idea that *"we* are the government". Strictly speaking, this old bromide was never really true. Now it's so absurd that none but the hopelessly ill informed ever venture to repeat it.

In truth, government no longer need respect the people's wishes. It has found ways to circumvent them at every turn. The two party system, which provided a degree of representation through an alternative, collapsed with President Eisenhower's second term. We may as well face these things: We now have only a conspiracy, in which old party labels and principles mean nothing. It is true we have Senators Malone, Barry Goldwater and Harry Byrd, plus a few other dedicated men crying in the wilderness, courageously fighting to stem the tide of absolutism in government.

What is government? It is, in the

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Embattled Farmers



Willis E. Stone

Symbolizing the hateful communistic system, a picture is going the rounds these days. It depicts Russian Agricultural Commissars deciding what the collectivized farmers in the Soviet will raise on collectivized farms.

The picture disturbs the American farmers, for it bears a striking resemblance to the bureaucratic session by which crop quotas are imposed.

The collectivized farm idea has no place in America. This question was settled long ago, in the hard way, with a Revolutionary War, the Declaration of Independence and the Constitution. Ralph Waldo Emerson, in "The Concord Hymn," immortalized the heroic events which won emancipation for the American farmer. He wrote:

"HERE ONCE THE EMBATTLED FARMER STOOD,
AND FIRED THE SHOT HEARD ROUND THE WORLD."

Time has passed. Memory of the fight for freedom fades. Now bureaucratic contrivers build confusion and crises, and then demand vast powers to save us from the disasters of their own contrivance.

First they gained control of money and credit. With this they upset the economy and farm prices. Then they demanded power and money to save the farmers from 50c wheat, and the price promptly dropped to 25 cents.

Layer after layer of bureaucratic fixing and meddling has been laid, one on top of another, until the farm problems of collectivized farmers in other lands is not very different from our own.

This condition should not be. The Constitution which the "embattled farmers" won, implied no power by which any person or group could restrict, control, curtail or prohibit production by anyone. In fact, the 10th Amendment provides that "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

Despite this protection, Evetts Haley, Jr., has been destroyed as a farmer because he raised wheat on his Oklahoma ranch to feed to his cattle.

Stanley Yankus Jr., of Dowagiac, Michigan, had his bank account seized because he raised wheat, which he fed to his chickens, violating the "quota" specified by bureaucrats.

Ethan Stangland of Albion, Indiana, has been denied trial by jury on the charge that he raised "too much wheat" which he used to feed his livestock. In punishment the bureaucrats seized his two tractors, without which he can not farm.

These are but three of several thousand similar cases. It is happening here to honorable and self-reliant farmers who have proudly rejected subsidies, handouts and special privileges.

More and more farmers express resentment against this system. This is indicated by a recent poll by **Farm and Ranch** magazine in which 87½ percent of the vote cast was for a "return to a free supply-and-demand system, as soon as possible, with minimum government control.

WANTING this, and GETTING it, are two different things. Most of us have suffered with the problem rather than correct it. A solution is available this year if we work at it.

Every candidate for state and federal office should be required to declare exactly what he proposes to do with the power he seeks. Ask him if he will sponsor and work for an amendment to give constitutional protection to our property, our enterprises and our earnings.

Such an amendment is now pending in Congress as H. J. Res. 355. Action will be taken on it when you raise a universal demand for it, and the best time to make the demand is NOW, when your candidate comes "hat-in-hand" looking for your vote. H. J. Res. 355 provides that:

"Sec. 1. The Government of the United States shall not engage in any business, professional, commercial, financial or industrial enterprise except as specified in the Constitution.

"Sec. 4. Congress shall not levy taxes on personal incomes, estates and/or gifts."

He has erected a multitude of New Offices, and sent hither swarms of Officers to harass our people, and eat out their substance.—Declaration of Independence, July 4, 1776.

The history of liberty is the history of limitations upon the powers of government. — President Woodrow Wilson.

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Censorship Through Taxation

Ask anyone what the Internal Revenue Service is and you'll get some such answer as this: "It's a Federal administrative agency, whose duty is to collect taxes as provided in revenue laws passed by Congress."

But the Internal Revenue Service is going far afield from its proper and established function. It is, in effect, setting itself up as a censor of what enterprises and organizations may say in their advertising, on pain of heavy tax penalties. It is also making decisions that are purely within the province of business management.

Here is the remarkable and menacing story.

Internal Revenue Service has ruled that electric utility companies cannot regard the cost of institutional advertising, which represents their side of the public-vs-private power controversy, as a legitimate business expense, deductible in income tax returns.

Internal Revenue Service has also ruled that the cost of literature opposing socialism issued by one of the country's most respected professional organization, the Association of American Physicians and Surgeons, is not exempt from tax.

Internal Revenue Service has also disallowed public relations advertising placed over a four-year period by the Timken Roller Bearing Company. This advertising discussed the Bill of Rights, Capitalism vs. Socialism, principles of taxation, and other such matter.

In other words, Internal Revenue Service holds that advertising designed to sell products or services is a legitimate business deduction—but that advertising designed to maintain an economic and political climate in which private enterprise may successfully produce those products and services is not. It is attempting to muzzle the right of people to speak their minds freely and without penalty—and, in doing that, to prevent other people from knowing and weighing both sides of controversies.

Of course, a simple way to curb this activity, is for Congress to move H. J. Res. 355 out of committee, pass the necessary resolution, submit it to the states for ratification—ending the socialist practice of government enterprise competing with private business and at the same time abolish the personal income tax. This would restore government in its place under constitutional law—and end the controversy.

BRIEFLY TOLD

Can the liberties of a nation be sure when we remove their only firm basis, a conviction in the minds of the people, that these liberties are the gift of God? That they are not to be violated but with his wrath.—Thomas Jefferson.

They that give up essential liberty to obtain a little temporary safety deserve neither liberty nor safety.—Benjamin Franklin.

Government is not eloquence—it is force! Like fire, it is a dangerous servant and a fearful master.—George Washington.

The doctrine of regulation and legislation by "master minds", in whose judgment and will all the people may gladly and quietly acquiese, has been too glaringly apparent at Washington these last ten years.—Franklin D. Roosevelt, Mar. 2, 1930.

NO DOCTRINE can be sound that releases a legislature from the control of a constitution. The constitution is as much a law to the Congress as the legislative acts of Congress are to individuals. Although always liable to be altered by the people who formed it, the Constitution is not alterable by any other authority; certainly not by those chosen by the people to carry it into effect.

—James Madison (June 30, 1825)

The **Proposed 23rd Amendment**" pending in Congress as H. J. Res. 355 appears perfectly fitted to give force and effect to this principle, but it is up to those we elect to state and federal offices to apply it.

Where do they stand on this concept?

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Foreign Aid Keeps Socialists in Power

Speech of
By WILLIAM L. McGRATH
condensed in the Dan Smoot Report

The underlying principle of communism and socialism is exactly the same—namely, government ownership or . . . nationalization - . . Our foreign aid has in many countries accelerated the trend toward nationalization of industry. . . .

Few people in this country have . . . any concept of how far nationalization of industry has gone in other nations around the globe. . . .

It so happens that I have a source of specific information on that subject. . . . Last year, as a member of the Governing Body of the International Labor Organization. I received a copy of a report issued by . . . the McNair Committee, set up by the ILO to study, in each country, the extent of freedom of employer's and worker's organizations from domination and control by their governments. . . .

On the basis of . . . information . . . summarized in the McNair Committee Report, I am . . . going to . . . give you some highlights as to how nationalization stands the world over today. . . . .

We think of Canada as a free enterprise nation. And yet in Canada the government owns and operates railways, airlines, telegraph and telephone and postal services, broadcasting, banks and steamships.

In Brazil the government operates banks, electric and gas services, railroads and coastwise navigation. And there we find that peculiar devise known as the "mixed company"—that is, a company in which the government owns the majority, or a large portion, of the shares of stock, and private investors own the rest. In Brazil such companies operate in the iron and steel, automobile and other industries.

Our country has given Brazil, in post war foreign aid grants, $26,900,000.

Now let's go across the Atlantic to England, probably our most important military ally. Nationalization of industry is limited in England. It is confined chiefly to telephone and telegraph, broadcasting, gas, electricity, railroads, trucking, canals and coal mining. In the main, the free competitive system is still operating in Great Britain. But England has socialized medicine, which our money has helped finance.

Our post-war foreign aid grants to the British Isles have totaled $3,763,000,000.

Now let's cross the Channel into Scandinavia. In Norway the telephone, telegraph and public utilities are government monopolies. There is government ownership in railroads, grain, aluminum, iron and steel, banking and insurance. In Sweden the government owns the telephone and telegraph, the railways and hydro-electric power sources. Companies directly or indirectly controlled by the government operate in the fields of mining, iron and steel, automobiles, oil, transport, grain, restaurants and banking. In both countries the government has a monopoly on liquor.

Our post-war foreign aid grants to Norway totaled $236,000,000—those to Sweden, $87,000,000.

Even before World War II the Austrian government had a monopoly on liquor, tobacco and salt, and it also ran drug stores! After the war, 71 industrial or commercial enterprises which had been stock companies, were transferred to government ownership. Today the government owns and operates most of the coal mines, most of the iron and steel plants, most of the electrical industry, and is engaged in the manufacturing of chemicals, in shipbuilding and in banking. In 1949, says the McNair Report, nationalized undertaking represented 93% of the country's total output of raw materials and basic products.

We have given Austria, in post-war foreign aid grants, a total of $1,061,000,000.

(Editor's note: the report continues in the same vein, France $4,333,000,000; Italy, $2,574 millions; Turkey, India, Pakistan, Indanesia, all got in line for our hand-outs—Germany apparently practices what we preach.)

As to the U.S.S.R. the McNair Report states: "With the exception of small private economies of independent peasants and handicrafts-men who are not authorized to employ paid workers, the nationalized sector of the economy covers the whole of the economic activities of the country."

This summarizes the communist system. Here is socialism in full operation. Yet, believe it or not, we have given the Soviet Union, in post-war foreign aid grants, $465,000,000; we have given Czechoslovakia almost $186,000,000; we have given Hungary $5,800,000; we have given Poland almost $356,000,000 and we are giving Poland more today. And incidentally, we have given Yugoslavia $734,000,000. . . .

When we give money to a country for economic aid, we don't give it to the people, we don't give it to businessmen—we give it to the govern-

Turn to page ninety-nine.

"Government is organized police force . . .

Police force is coercion. Coercion can be used to suppress, restrict, restrain, destroy. How does one use restraint or destruction profitably? You use it to destroy that which is bad: Fraud, violence, conspiracy, predatory practices and monopolistic abuses. Limit physical force, that is, government, to this area. Coercion is not a creative force and to apply it to creative activities is to destroy those activities."

Government does not belong in any production or distribution effort.

To pursue it a little further, then charity should be left to the good hearts of Christian people who are the logical ones to administer charity from the fruits of their own efforts. Government cannot equitably distribute charity.

It behooves us all to help. Get our government back to the area in which the Constitution intended it to function. God help us if we don't.

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Businessman's Choice:

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The American businessman, whether he likes it or not, is in politics, usually as a passive political victim, a favorite target for the growing power of spendthrift big-government forces.

Perhaps there was a day when a businessman could say, "Politics is not my business", and make it stick. That day is gone. Politics is everybody's business.

The businessman has two choices. He can be a passive victim or he can use his own organizing ability and influence to try for political leadership. There are no other alternatives.

As you, a businessman, make your choice, keep these facts in mind: American business has been a political target for a long time, but never before have so-called "liberals" been so strong and so successful in undermining the very things which make it possible for American business to contribute to the growth and prosperity of our country. They seek to destroy our free, competitive system and give government more and more control over our lives and businesses.

If you choose to become politically active rather than commit political suicide, you will be in good company. Some of America's finest business leaders, individuals, companies and associations have already made the right choice.

They have realized that it takes more than a letter to your Congressman to influence legislation, when the Congressman was elected through the support of someone else. It takes time and work . . . personal participation in basic politics . . . to become a political force instead of a political victim.

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What's Become of Uncle Sam?

Continued from page Ninety-three

final analysis, an extremely highly organized aggregation of individuals whose sole purpose is control and direction of the people. The question of how it came into existence, its methods of self perpetuation, is immaterial. Obviously, this government came to power by means somewhat less direct than the Russian absolutism. But it would be a mistake to assume that the manner of its creation will, in the end, determine its character. Power is power, by whatever means acquired.

The people who control and operate the government are very clever. They fully realize that a semblance of the ancient concepts, laws and customs must be preserved, or at any rate, not denied the people, just yet. They can afford to be unconcerned as to whether a community elects Joe Brown or Jim Green for town marshal. They do not attempt to dictate, just yet, what the citizen wears to church.

Such little liberties and prerogatives serve a most useful purpose. They take the citizen's mind off the real issues, keep people docile in the face of creeping slavery, help to preserve the silly farce that "we are the government".

But on the important issues, like spending our hard won tax money to support hostile and communistic regimes all over the earth, government makes very certain no popular expression from the people will be allowed. Certainly the sources of government's power, the power to control or destroy, will never be subjected to the risk of a popular test by the people. Nothing that could conceivably return the government and the nation to its rightful owners, the American citizens, will ever be tolerated.

We can admit that many of the million or so people who operate and control government, exude good intentions toward the governed. Many of them perhaps honestly believe that "Papa knows best". They believe with fanatical fervor that membership in this tightly knit organization of government confers on the members a wisdom and sagacity ordinary citizens do not have. Many believe the course they have mapped out for people to follow is in their best interests. But the word has gone out, "conform or perish".

We have come a long way from the beliefs and principles laid down by Jefferson, who said: "That government governs best which governs least". Has anything in human nature, or human experience changed to justify an opposite concept? I don't think so. But, though we still give a lip service to the Constitution and the teachings of our founders, we are steadily moving toward government absolutism in every aspect of life.

Government's attitude toward the people is not unlike a farmer's attitude toward his sheep. They must be watched over, fed, protected — and shorn at regular intervals. Obedience to all commands is basic. No deviation, no independence of thinking can be permitted. The individual who strays from the appointed path might get into trouble, reason the Great Leaders. Still worse, if such non-conformity were encouraged, the very source of government's power might be endangered.

Can the American people regain control over their government, recapture those precious liberties and rights which they so lightly tossed away in 1913? They can do it, easily and quickly. But will they?

LEST WE FORGET

Robert Ripley's syndicated "Believe It or Not" of May 4, 1947, contained these salient facts:

"A Russian Citizens—
May NOT own land
May NOT be tried by a jury
May NOT choose his own job
May NOT absent himself from work
May NOT strike
May NOT picket
May NOT employ labor
May NOT travel
May NOT own jewelry
May NOT ring a church bell
May NOT be friends with a foreigner and is FORBIDDEN freedom of speech, freedom of assembly, freedom of religion and freedom of soul.

This sounds like some of the plans by Washington bureaucrats for our "more abundant life".

FOREIGN AID . . .

Continued from page ninety-six

ment, and the government can then use it to start government-owned enterprises.

In fact, in many cases we deliberately encourage government to go into industrial operations, with a program similar to the Russian five-year plan, as a condition of receiving aid from the United States.

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Who Pays for It?

It takes all the U. S. income taxes paid per year by 19 average private industry employees to pay the annual salary of one average civilian worker employed by the Federal government.

The Federal government employs 2,323,947 civilian workers. That number again is two million, three hundred and twenty-three thousand, nine hundred and forty-seven.

To keep these workers occupied, the government owns more than 700 substantial corporations, 19,000 small businesses of all kinds, in addition to many service organizations. These corporations lose about $10 billion a year, but instead of going out of business they simply chalk up a deficit and continue to operate on tax money.

Pay for that governments 2.3 million civilian employees last year was $11 billion—equal to about one-third the total tax bill of all federal individual income tax payers.

That's a lot of employees, and a lot of government, and an awful lot of taxes. Maybe we should tell our vote-hunting congressmen it is too much of all three.

Our American form of republic was devised to provide an ingenious system of "checks and balances' in government. The object, of course, was to make sure that too great a concentration of power would not be captured by the legislative bodies, the judiciary, or the executive with its broad police powers.



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Let's Roll Up Our Sleeves to Get the Job Done . . .

WHY we are organizing:

1. Every community should have an active group that works to stop the trend toward State control —regardless what form it takes—Socialism, Fascism, or Communism. Such an organization is the rallying point for those who want to protect and preserve the American way of life as opposed to the other idea that the individual exists only to serve the State, which is his master.
2. Many business and professional people have been too occupied to take an active part in affairs of government on the local, state and national level. A common program to interest every man and woman who is either active in or retired from business or professional life in political and government affairs must be developed at the local level.
3. More can be accomplished by working together through county, then state, and national organization by understanding the facts about economic issues. A canvass must be made of all candidates, local, state, and national on how they stand on these issues.
4. All political parties must be explored to get them to adopt our program, in county, state and national organization, and have its principles expressed in their respective platforms.
5. We will vote down the line for those candidates who endorse our principles and none others. We will exemplify good citizenship in every respect, praying for wisdom to understand the issues of the day and voting to establish justice in this land.

WHAT we are organized FOR:

1. REESTABLISH this independent Constitutional Republic as a government of the people, by the people and for the people.
2. ABOLISH all foreign and domestic subsidies and utilize these savings to REPEAL the Federal income (16th) amendment and LIQUIDATE the federal corporate activities in competition with private enterprise.
3. REDUCE the bureaucratic structure, city, county, state and federal to the point of service to private ownership requirements of permanent records of transactions, protection of person and property.
4. SUPPORT real Social Security operated on a voluntary actuarial basis by private enterprise under governmental regulation with its funds invested in private enterprise and administered on a basis of sound returns upon investment accruing to the beneficiaries.
5. RESTORE the judiciary to a place of integrity in the community rather than serving greed and corruption under bureaucratic tyranny.
6. ELECT public officials on a basis of their record of service and ability as citizens of repute in their respective communities.
7. RESUME immediate redemption of the federal debt to alleviate the basis for the causes of the present depression—eliminating deficit financing of the public debt.

Let every citizen, including business and professional men, who has shunned participation in politics as something beneath his dignity or comfort, take active part in the government of his community and nation. We must . . . take positions on principles and then work for votes to support those principles.—Dr. Alfred P. Haake.

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● STATE
● NATIONAL

This is an independent, non-partisan political action committee of citizens of the 49 sovereign states of the U. S. A.

Individual businessmen cannot function without an organization, without leadership, without funds. . . . Business organizations and associations must provide the leadership, the money, and the manpower for business political action. And they must DO IT NOW. — Congressman Ralph W. Gwinn (N.Y.).

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Swim or Drown

Representative government can be destroyed by well-organized minority groups when too many people are indifferent to national issues which effect their own opportunities and personal freedom, and to the actions of the candidates whom they elect to high office.

The Gulf Oil Corp., in a letter to its more than 161,000 shareholders, employes and dealers graphically pinpoints this menace which is already upon us in the following words:

". . . danger arises when any group with a special interest or a special aim amasses enough Congressional gratitude to dictate the laws it wants or block those it does not want."

Senior vice president of Gulf, Archie D. Gray, says: "Whether we want to be there or not, Gulf, and every other American corporation, is in politics, up to its ears in politics, and we must either start swimming or drown. . . .

"If our free, competitive institutions are to be preserved from destruction by the unholy combination of predatory gangsterism and crackpot socialism that is thriving and expanding under labor's Congressional benevolence, then business has no choice," adds Mr. Gray, but to resist "or throw in the towel."

This is the start of a broad continuous program sparked by the conviction that private citizens in business have an obligation to defend the free institutions of which they are a part through direct political organization and informational activities at the grassroots. More power to those who have the courage to stand on the firing line and broadcast their convictions.

"In questions of power, then, let no more be heard of confidence in man, but bind him down from mischief by the chains of the Constitution.—Thomas Jefferson.

A just estimate of that love of power, and proneness to abuse it, which predominates in the human heart. . . .—George Washington.

". . . there is no danger I apprehend so much as the consolidation of our government by the noiseless, and therefore unalarming, instrumentality of the Supreme Court.—Thomas Jefferson.

BOOKS

By EUNICE DAVY DEAN

Caxton Printers have again published a book on inflation so dynamic that no one should permit himself to miss this most important book. It is important to you. Why? Because it concerns you and how your earnings are handled by the money changers. You do realize that your money changes very rapidly from your hands into "I don't know where."

The last thing on earth the money changers want you to understand is money. To understand how money is created, what backs up your dollars, how inflation has come to be, why your dollar is worth only 37 cents buying power, why Social Security is neither social nor secure, should drive you to read **"Inflation in the United States"** by Paul Bakewell, Jr. You will learn that your dollar bill is little more than the dross left after smelting gold.

If we more fully understood this money creating process, we would cease to have both wars and depressions. Mr. Bakewell takes you step by step in down to earth, easily understood ways to get to the source of how money is created. The following is from the fly leaf of his book:

"Inflation is our most serious domestic problem. It has been developing for a long time, and, although it may be interrupted periodically by business recessions or even depressions, a grave question remains as to whether it can be halted in the long run.

"This new essay by Paul Bakewell, Jr., **Inflation in the United States,** treats the subject from the long-range view point. It is a valuable supplement to Mr. Bakewell's important book, **What Are We Using For Money.** The latter presented a legal, economic and moral analysis of the gold question. The present essay points out the role which our abandonment of the gold standard and our devaluing of our unit of value has played in the creation of the existing inflationary situation.

"Mr. Bakewell shows with irrefutable logic that the substitution of managed money for gold coin, and for paper convertible to gold coin on demand, makes possible an almost unlimited inflation and that this is mainly responsible for the economic situation which has developed since 1933. Under the gold standard the people control their government because, when they lose faith in government spending and fiscal policies, they can demand gold coin and thereby bring sufficient pressure to bear on the government to force a reversal of unsound policies. But with irredeemable paper currency such as we now have under managed money, there can be no effective control of political spending and no control exercised over inflationary spirals as long as the government finds inflation the path of least resistance politically.

"Mr. Bakewell's essay is important to an understanding of the basic causes of inflation and of the vital connection which exists between the gold standard, private property, and personal liberty."

—Towner Phelan, Vice-President,
St. Louis Union Trust Company
St. Louis, Missouri.

Every reader should make this book "must" reading. Published by Caxton Printers, Ltd., Caldwell, Ida. It has paper cover, large print, and is inexpensive ($1.50).

". . . the supervision of agriculture and of other concerns of a similar nature, all those things in short which are proper to be provided for by local legislation, can never be desirable cares of a general jurisdiction (Federal Government)."—Alexander Hamilton.

OPERATION NIGHTMARE

By

PAT BARHAM and

FRANK CUNNINGHAM

Pat Barham, on special assignment for William Randolph Hearst to get the facts about the Korean debacle, gives graphic first hand stories reviewing the Asiatic adventure which included the firing of General MacArthur.

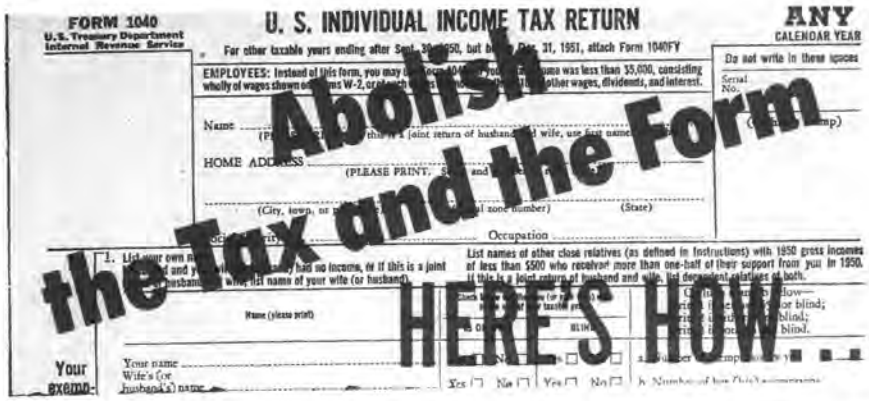
Dr. Cunningham writes the political-narrative in hard-hitting style of the newspaper reporter. Operation Nightmare is documented for history students who wish to know the unglamorous side of war. The unvarnished truth is not always pleasant, and in this book the reader must be prepared for the unpleasant as well as the lucid episodes that a reporter will encounter.

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THIRD — Require every candidate for public office to declare his position on this basic question of public policy as the price of election.

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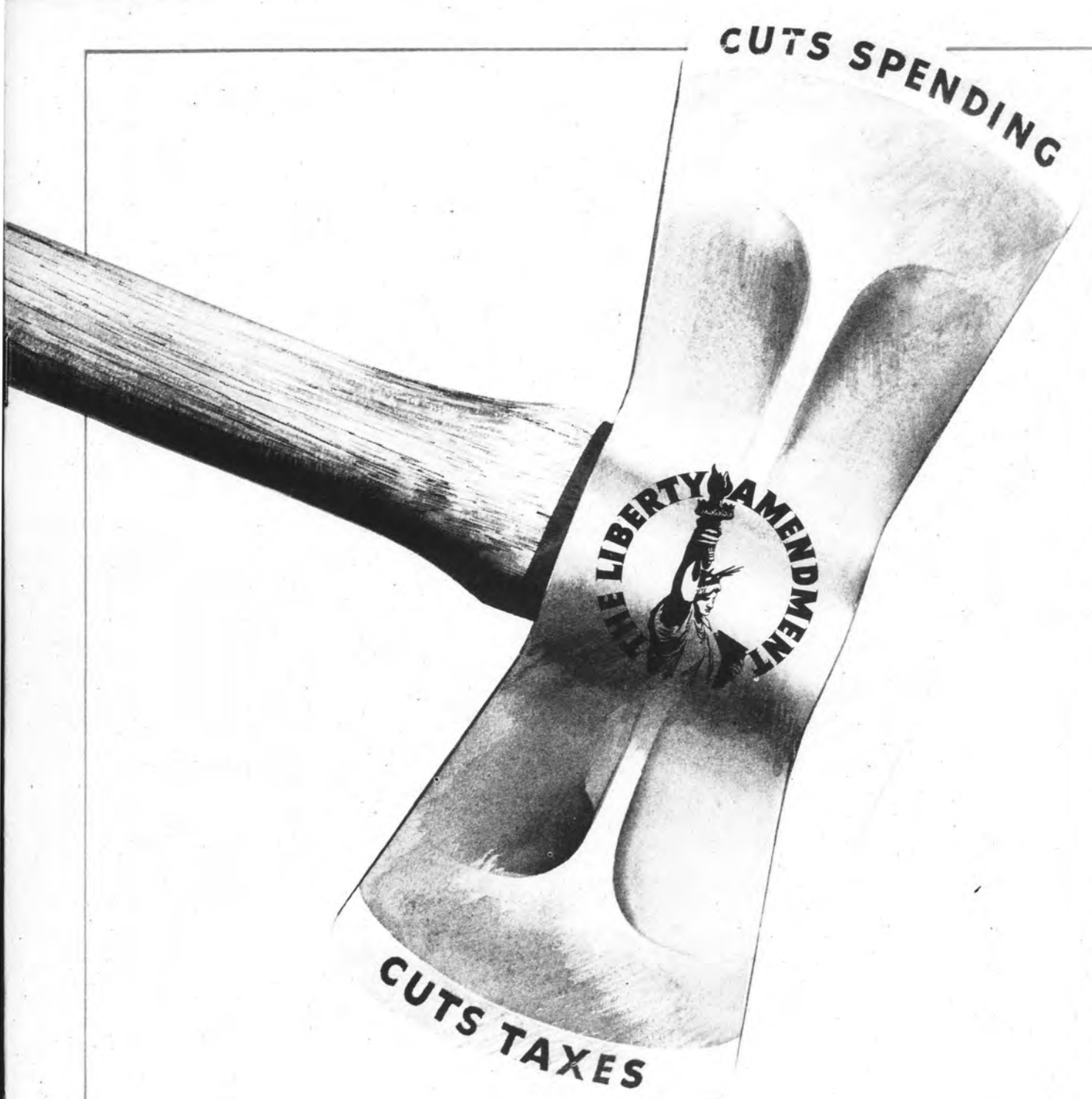
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Vol. 7, No. 4 September-October, 1962

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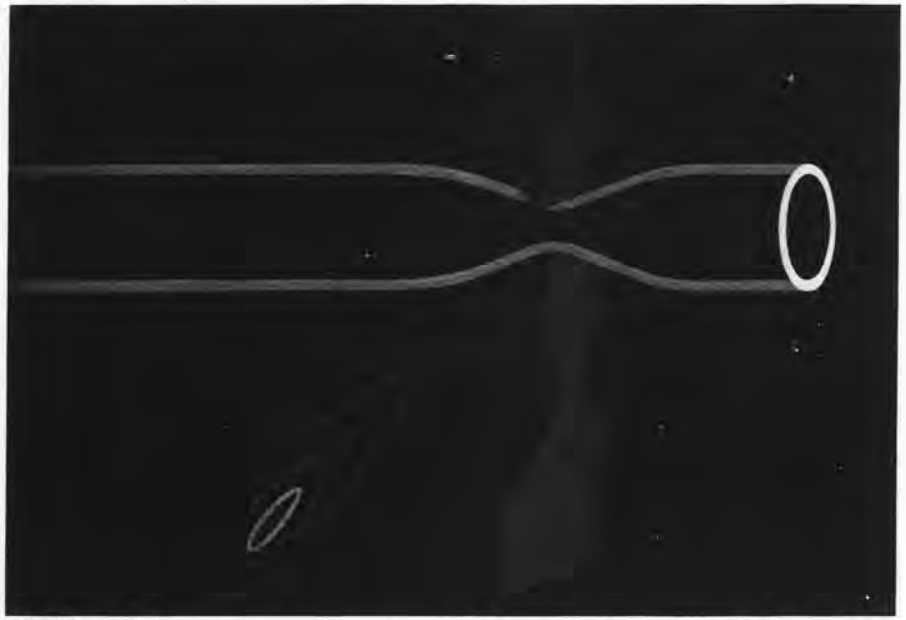
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MAGAZINE

For Economic Freedom

SEPTEMBER-OCTOBER, 1962

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From the Publisher's Desk



by
WILLIS E. STONE
Publisher, and Chairman, National Committee for Economic Freedom

EVALUATING CANDIDATES

There is a cult, which arises about this time of an election year, which tends to put the mantle of partisan virtue above all else. Its name is "party regularity." It occurs as political campaigns head into the "home stretch" and individual candidates feel the increasing need for "regular party support."

Party loyalty has great virtue, providing the party espouses virtuous issues. It is not always easy to establish the position of a party. Platforms are often vague and contradictory in an attempt to be all things to all people and provide the machinery to elect a certain group to widely diversified offices.

There is a danger in this condition. When we vote for a "ticket" the candidate is removed from responsibility for his acts. The "party" becomes the master. The "political boss" emerges with his naked lust for power and decides all issues, directing how the vote shall go. To buck the "machine" under these conditions is political suicide.

We know these things. We have suffered through horrible examples of the process in many areas of the nation. We can charge the process with much of the dilution of principle which has taken place in our cities, states and the nation.

But there has been a great revival of American principle. Voters have demanded that candidates declare their position on questions of policy. It has been properly contended that no candidate has a right to ask for a person's vote until the candidate is ready, able and willing to declare exactly what he proposes to do with the power he seeks. In no other way can we be informed, and without information we are indeed disarmed.

American Progress magazine earnestly advocates the LIBERTY AMENDMENT as the best possible yardstick by which we can correctly appraise the merit and character of individual candidates. Swiftly increasing numbers of Americans subscribe to this procedure.

It is said we need many more conservative-minded Congressmen and Legislators if we are to ever restore our institutions of human freedom. To this we agree, and urge everyone to participate in the effort to select our public servants on the basis of their adherence to constitutional principles so clearly set forth in the LIBERTY AMENDMENT.

The full text of . . .
THE LIBERTY AMENDMENT
. . . appears on page 21 of this issue

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Master of Ceremonies

THREE NIGHTS of intensive education are on tap for Southern California supporters of the Liberty Amendment. The California T Parties will present nine of America's most articulate advocates of freedom.

The T Parties will provide a logical follow-up to the wave of anti-communism that has taken hold in the west. This seminar, however, will dwell less on the problems that face us today. Instead, the emphasis will be on the solution to those problems.

The degree of success achieved by this unique seminar will determine, in large part, many of the possibilities for future strategy throughout the nation. With Operation America a success in Southern California, there is no reason why similar programs can not be staged everywhere.

In fact, the entire proceedings will be recorded on film—and a one-hour composite will be made. This will make a compelling publicity tool to help promote other seminars.

At left: Wilshire Ebell Theatre
Site of California T Parties

The T Parties will feature a star-spangled cast of speakers. The full program is presented on the next three pages. The three nights will be devoted to freedom, the Constitution, and strategy, respectively.

Operation America is a new organization. It was created earlier this year for the specific purpose of expanding public understanding of the Liberty Amendment in Southern California.

President of Operation America is Gordon van B. King. A former New Jersey industrialist, he is now Vice-Chairman of the National Committee for Economic Freedom.

For those outside of Southern California, now would be a good time to start planning T Parties elsewhere. 1963 looms as potentially the biggest year yet for those who love liberty. Action is needed now to increase public understanding prior to the convening of state legislatures in January.

Contact your State Chairman. Volunteer to help create a similar program in your area.

FREEDOM vs. COLLECTIVISM

Tuesday, September 4, 1962 -- 8:00 P.M.

CALIFORNIA T-PARTIES

OFFICIAL PROGRAM



MR.
HARRY T. EVERINGHAM

"The Key To Victory"

TWENTY YEARS AGO, Harry Everingham set out to do something about the collectivist tide he could see developing.

Concerned about the war effort (it was then 1942), collectivist influences in Washington, and the future of free enterprise after the war, he sought a way to bring about greater public understanding of the fundamentals of Americanism.

As an author with a strong public relations background, he put his talents to work on a new idea. He originated the *Fact Finder* series — a twice-monthly pamphlet mailed to employees, at the request of their employers.

The Fact Finder caught on; and today it is an articulate voice, educating employees in companies throughout the nation. It presents logical, easy-to-understand, common sense viewpoints on the free enterprise system and the threats that face it.

In addition to the *Fact Finder,* Mr. Everingham also writes a question-and-answer style newspaper column, *Everyman's Problem.* He is also the Executive Secretary of We, The People!, a national patriotic organization.



COLONEL
LAWRENCE E. BUNKER

"Barnacles On Our Ship of State"

ONE OF THE FEW military heroes who has proven to be an articulate speaker for freedom as well, Colonel Lawrence Bunker has served his nation with dual distinction.

First as a military man: He served in the United States Army from 1942-1953, receiving the Distinguished Service Medal, the Legion of Merit with Oak Leaf Cluster, and the Air Medal. He was, for six years, aide-de-camp to General of the Army Douglas MacArthur.

Secondly, he has vigorously served Americanism. He is Co-Chairman of the Massachusetts Committee for Economic Freedom as well as President, Former President, or Councilmember of many service and patriotic organizations.



MR.
TOM ANDERSON

"Straight Talk"

PUBLISHER, columnist, speaker, humorist and businessman, Tom Anderson has come to be known as "the Will Rogers of the farm." His monthly editorials in his magazine, *Farm And Ranch,* have made him the most-quoted, most-reprinted-editor in the farm field.

People expect "straight talk" from Tom Anderson, and he never fails to supply it. Dean Clarence Manion has said: "No writer in America can take the padding out of a stuffed political shirt any faster or more effectively than Tom Anderson."

As a businessman, he has made a success of six different farm publications whose combined circulations now total more than 1,300,000.

Mr. Anderson has received the "Liberty Award" of the Congress of Freedom twice—once each for his editorials and speeches. He has received the "Freedom Award" of Freedom's Foundation at Valley Forge "for outstanding achievement in bringing about a better understanding of the American Way of Life."

As a speaker, he has appeared on many live radio and television programs —and is in great demand for personal appearances.

CONSTITUTION: CITADEL OF FREEDOM

Wednesday, September 5, 1962 -- 8:00 P.M.

CALIFORNIA T-PARTIES

OFFICIAL PROGRAM

(Photo not available at press time).

REVEREND
ALBERT J. LINDSAY

"U. N. or U. S.—Which?"

AMERICANS are becoming increasingly concerned about the degree of influence that the United Nations has upon the internal affairs of the United States.

The Reverend Albert J. Lindsay, Pastor of the First Presbyterian Church of Tacoma, Washington, is well qualified to discuss this subject. For years, he has been an avid student of UN affairs, and is very much in demand as an expert spaker on the whole area of the UN and its specialized agencies.

He will give particular attention in his T Party talk to the conflict between the United States Constitution and the UN Charter. He will demonstrate the need to close the "loopholes" that presently exist in our legal relationship with the world body.

Section two of the *Liberty Amendment* emphasizes the supremacy of the Constitution over *any* international agreement. It guarantees that the Constitutions and laws of all our States, as well as the federal government, will remain valid, anything the UN may do to the contrary.

Since this aspect of the *Liberty Amendment* is not often discussed, the Reverend Mr. Lindsay's speech will be particularly informative.



MR.
GORDON VAN B. KING

"Vitality of the Constitution"

IF FREE ENTERPRISE PERISHES, of what value will an individual business be? This is the question Gordon King asked himself in 1959.

Its obvious answer prompted him to give up a successful industrial business in 1959. Since then he has devoted all of his time, energy and talent to the job of revitalizing the free enterprise system.

His keen mind and tenacity are reflected in his article, *Federal Budgets Under The Liberty Amendment,* which appears on page seven of this issue. It is the product of extensive research into the operations of our government.

Gordon King is now Vice-Chairman of the National Committee for Economic Freedom and President of Operation America, sponsors of the T Parties.



MR.
WALTER KNOTT

"Our American Heritage"

FOR MANY YEARS, Walter Knott has been widely recognized as a magnificent example of a responsible American businessmen. He has long realized that no business has a secure future as long as Americanism is in jeopardy.

As a result, he has devoted himself tirelessly to a multitude of projects on behalf of the private enterprise system. Included in these projects are: service as Treasurer of the National Committee for Economic Freedom; Founder of the California Free Enterprise Association; production of the widely-commended film, *Our American Heritage,* and an endless list of other services to liberty.

In 1920, he founded Knott's Berry Farm and Ghost Town, one of Southern California's most popular attractions. His four children have grown up there and are now partners in the business.

Today, at 73 years of age, Walter Knott is still an active, vigorous exponent of freedom — as the California T Party audience will surely learn. Few men have contributed as much of themselves, and their resources, as he has. He has consistently taken every opportunity to employ his talents and resources on behalf of Americanism,

RENEWING OUR FREEDOM

Thursday, September 6, 1962 -- 8:00 P.M.



DOCTOR
THOMAS PARKER

"How The Liberty Amendment Won In South Carolina"

SYMBOLIC of the growing concern of the medical profession for the continuance of American ideals, Dr. Parker has given much of his time and talents to the struggle for economic freedom.

The May-June issue of *American Progress* carried his article, "Providing For The Needs of The Aged," which was an excellent exposition of the purpose of government, as our founding fathers envisioned it.

Dr. Parker is a man who is as concerned with solutions as with problems. At a time when many people can not seem to go beyond complaining of our troubles, his leadership of the South Carolina Committee for Economic Freedom was responsible for his state becoming the sixth to approve the *Liberty Amendment*.

In addition to his practice and his Americanism work, he somehow finds time to serve on the Greenville (S.C.) City Council; and is also a member of many medical organizations. Actually, it is probably because he considers his practice, his civic duties, and his Americanism work to be all part of the same responsibility that he has been such a successful man.

CALIFORNIA T-PARTIES

OFFICIAL PROGRAM



MR.
DAN HANSON

"How the Liberty Amendment Won in Wyoming"

IN FEBRUARY, 1959, Wyoming became the first state to approve what is now known as the *Liberty Amendment*.

That approval was due largely to the determination and perserverance of one man—Dan Hanson.

He is the owner of Brock Livestock Company, Kaycee, Wyoming. Like many other men in ranching and farming, Mr. Hanson had no interest in going into partnership with the government.

He decided to make it his responsibility to see to it that the Wyoming legislature approved the *Liberty Amendment*. And he did it! His speech will deal with the specifics of his campaign to have Wyoming stand for economic freedom.



MR.
WILLIS E. STONE

"Winning With The Liberty Amendment"

THE BACKGROUND of Willis Stone is, of course, the background of the *Liberty Amendment*. He is its author and the driving force behind it; and for 18 years it has been his life.

In 1944, he was so shocked by the government's takeover of the Montgomery Ward Company that he decided to work to restore our lost heritage.

He began by writing a weekly column (now published in 300 newspapers). In 1948, he gave up his career to devote fulltime to the struggle for freedom.

In 1952, the resolution he authored was first introduced in Congress. That resolution was the forerunner of today's *Liberty Amendment*, and contained its first three sections.

In 1957, his 13 years of intensive research into the activities of the federal government proved that enactment of the amendment would permit repeal of the personal income tax. That section was added and the present form was finalized.

He is today the Chairman of the National Committee for Economic Freedom and publisher of *Fact Sheet* and *American Progress* Magazine.

FEDERAL BUDGETS UNDER THE LIBERTY AMENDMENT

How Much Could The Government Save?
Where Would Costs Be Reduced?
Here Are The Answers...

By Gordon van B. King

THE QUESTION most frequently asked about the Liberty Amendment is: "Where will the Government get its money if the personal income tax is eliminated?"

This article presents a "Liberty Budget" which shows that the Government will obtain all the money it needs, for all its constitutional functions including strong National Defense, from its remaining sources of revenue: corporation and excise taxes, customs duties and miscellaneous taxes and fees.

Based on the Government's own Budget for 1962, this Liberty Budget shows how annual expenditures will be reduced by termination of activities not authorized by the Constitution; so there will be an annual *surplus* without any need for personal income and withholding taxes, estate or gift taxes.

In other words, it shows that the Liberty Amendment is economically sound and workable.

BUDGET SUMMARIES

(All figures in millions of dollars)

ITEM	1948[1] BUDGET	1962[2] BUDGET	LIBERTY BUDGET
Receipts	47,295	82,333	41,005
Expenditures	37,704	80,865	36,598
SURPLUS	9,591	1,468	4.407

[1]Adjusted to 1962 dollars.
[2]Bureau of the Budget estimate as originally offered. Actual year-end result was a $6.3 billion deficit.

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SUMMARY OF METHODS

The Liberty Budget was developed by comparing actual 1948 receipts and expenditures with official estimates for 1962. Note that Liberty Budget figures are very close to actual 1948 figures adjusted to present dollar-values.

In 1948, the Federal Government carried out all its constitutional functions, *and* a great number of business-type activities which the Liberty Amendment will eliminate. Yet total expenditures were very little more than they would be today, if the Liberty Amendment were in full effect.

Thus the Liberty Budget differs from the adjusted 1948 Budget in that:

—It provides 70% higher spending for Military Defense, to allow for the increased complexity of present day weapons and larger defense needs.

—Elimination of spending for unauthorized activities more than compensates for this increase; so total spending remains at about the 1948 level.

The annual surpluses made possible by elimination of unauthorized spending can be used for any Constitutional function desired by Congress—such as reduction of debt, or elmination or reduction of other taxes.

On the following two pages, you will find a breakdown of taxing and spending by functional categories.

SOURCES OF DATA

The 1948 Budget figures are recorded in *Special Analysis L* in the *Budget of the United States Government for the Fiscal Year ending June 30, 1957*. To adjust for the loss of purchasing power of the dollar between 1948 and 1962,

(Continued on page 8)

Gordon van B. King, formerly a New Jersey industrialist, is now Vice-Chairman of the National Committee for Economic Freedom.

He is the co-author of a forthcoming book on the Liberty Amendment.

BUDGETS *(Continued from page 7)*

each figure in the above Analysis was multiplied by a factor of 1.14 (derived from the Bureau of Labor Statistics' Wholesale Price Index, 1947-49=100). Thus figures in all three columns are expressed in the same dollar-values.

1962 Budget figures were taken directly from *Special Analysis G* in the *Budget of the United States Government for the Fiscal Year ending June 30, 1962.*

The Liberty Budget figures were derived in the manner explained in the Notes below.

EXPLANATION OF NOTES

A. These taxes and costs would be eliminated by the Liberty Amendment.

B. These taxes would continue under the Amendment; but the revenues they produce would increase. The government estimates the value of its own assets at $260 billion. Using an estimate of only $65 billion as the amount transferred—by the Amendment—from a tax-exempt to a tax-producing status, this would create a minimum of $4.2 billion in new corporate tax revenues, and $2 billion in excise taxes. This does not include the large increase in these revenues resulting from returning $45 billion in usable personal income to the people.

C. Recent budgets omit these items.

D. These tax revenues will undoubtedly increase, due to greater private spending; but 1962 amounts are accepted.

E. As with some other items, it is impossible to estimate exactly the potential savings; but they will undoubtedly be huge. For example:

(1) The Defense Dept. operates some 19,000 unconstitutional businesses. Contracting with private enterprise for these needs would save billions.

(2) General Accounting Office auditors are denied access to Defense Dept. financial data. Obviously, this immunity from adult is responsible for many inefficient practices.

(3) Unconstitutional acquisitions of land by the Defense Dept. for non-military use cause a severe drain on the taxpayers' money—and are increasing. The Armed Services today hold the equivalent of a 14-mile strip of land reaching from New York to Seattle. Over 3,000 civilian employees are required to handle the administrative details.

(4) In 1950, Gen. Omar Bradley, *(Continued on Facing Page)*

FEDERAL BUDGETS BY FUNCTIONAL CATEGORIES

(All figures in millions of dollars)

RECEIPTS

ITEM	1948 BUDGET	1962 BUDGET	LIBERTY BUDGET	NOTES
Individual Income Taxes	23,937	45,500	–0–	A
Corporate Income Taxes	11,598	20,900	25,080	B
Excise Taxes	8,438	9,725	11,670	B
Employment Taxes	2,731	.....	.....	C
Estate & Gift Taxes	1,025	1,953	–0–	A
Customs	481	1,115	1,115	D
Miscellaneous Receipts	4,342	3,807	3,807	D
Adjustments	(5,257)	(667)	(667)	
NET BUDGET RECEIPTS:	**47,295**	**82,333**	**41,005**	

EXPENDITURES

ITEM	1948 BUDGET	1962 BUDGET	LIBERTY BUDGET	NOTES
AGRICULTURE & AGRICULTURAL RESOURCES:				
Stabilization of Farm Prices & Farm Income	(105)	3,396	–0–	A
Financing Farm Ownership & Operation	(3)	235	–0–	A
Financing Rural Electrification & Telephone	272	340	–0–	A
Conservation & Development of Agricultural Land & Water Resources	325	773	–0–	A
Research & Other Agricultural Services	166	357	166	F
TOTALS	**655**	**5,101**	**166**	
NATURAL RESOURCES:				
Conservation & Development of: Land & Water Resources	576	1,516	–0–	A
Forest Resources	70	311	–0–	A
Mineral Resources	30	67	–0–	A
Fish & Wildlife	14	84	–0–	A
Recreational Use of Natural Resources	19	101	19	F
General Resource Surveys & Administration	19	60	19	F
TOTALS	**728**	**2,138**	**38**	
COMMERCE & HOUSING:				
Promotion of Water Transportation	462	621	462	F
Provision of Highways	400	.....	–0–	C
Promotion of Aviation	155	811	155	J
Space Exploration & Flight Technology	–0–	965	–0–	K
Postal Service	347	63	–0–	L
Community Development & Facilities	40	239	–0–	A
Public Housing Programs	112	170	–0–	A
Other Aids To Housing	(58)	178	–0–	A
Other Aids To Business	59	162	–0–	A
Regulation of Commerce & Financing	64	74	64	F
Civil & Defense Mobilization	–0–	81	81	G
Disaster Insurance, Loans	23	7	7	G
TOTALS	**1,604**	**3,371**	**769**	

EXPENDITURES (Continued)

ITEM	1948 BUDGET	1962 BUDGET	LIBERTY BUDGET	NOTES
LABOR & WELFARE:				
Labor & Manpower	217	72	72	G
Public Assistance	849	2,315	–0–	A
Public Health	163	1,094	163	F
Promotion of Education	74	640	–0–	A
Promotion of Science, Research, etc.	26	251	26	F
Correctional & Penal Institutions	23	52	52	G
Other Welfare & Administration	155	334	155	F
TOTALS	**1,507**	**4,759**	**468**	
MAJOR NATIONAL SECURITY:				
Military Defense	12,466	42,910	21,455	E
Military Assistance	299	1,750	875	E
Development & Control of Atomic Energy	542	2,680	542	F
Stockpiling & Defense Production Expansion	113	52	52	G
TOTALS	**13,420**	**47,392**	**22,924**	
INTERNATIONAL AFFAIRS & FINANCE:				
Conduct of Foreign Affairs	186	280	186	F
Economic & Financial Assistance	5,018	2,243	–0–	A
Foreign Information & Exchange	1	188	–0–	A
TOTALS	**5,205**	**2,711**	**186**	
VETERANS SERVICES & BENEFITS:				
Education & Training	2,857	128	128	G
Other Readjustment Benefits	920	77	77	G
Compensation & Pensions	2,371	3,798	3,798	G
Insurance & Servicemen's Indemnity	172	27	27	G
Hospitals & Medical Care	675	1,091	709	H
Other Service & Administration	591	174	174	G
TOTALS	**7,586**	**5,296**	**4,913**	
GENERAL GOVERNMENT:				
Legislative Functions	39	130	39	M
Judicial Functions	23	56	23	M
Executive Direction & Management	8	15	8	M
Central Fiscal Operations	474	664	474	M
General Property & Records Management	432	467	280	N
Central Personnel Management & Costs	315	267	160	N
Civilian Weather Services	24	66	24	F
Protective Services & Alien Control	112	247	112	F
Territories, Possessions & Washington, D. C.	23	147	147	G
Other General Government	7	12	7	F
TOTALS	**1,457**	**2,071**	**1,274**	
INTEREST:				
On The Public Debt	5,914	8,500	6,375	P
On Refunds Of Receipts	65	83	42	Q
On Uninvested Funds	5	10	10	G
TOTALS	**5,984**	**8,593**	**6,427**	
MISCELLANEOUS:				
Allowance For Contingencies	.....	100	100	
Adjustments	(442)	(667)	(667)	
TOTALS	**(442)**	**(557)**	**(557)**	
NET BUDGET EXPENDITURES:	**37,704**	**80,865**	**36,598**	

EXPLANATION OF NOTES *(Continued)*

then Chairman of the Joint Chiefs of Staff, stated that $13 billion was adequate for military defense. In 1962 dollars, that is $14.6 billion. Adding 50% for the increased complexity of present weaponry, the figure is $21.9 billion.

These items are apart from the great waste, so well known, in careless purchasing methods and overlapping functions.

Passage of the Amendment will create stronger national defense and higher military morale at far less cost.

F. These are areas where the government has gone far beyond the Constitution. But in the absence of specific data, 1948 expenditures should be more than adequate to cover legal functions.

G. Although some savings will result, 1962 figures are utilized.

H. Elimination of the unconstitutional practice of giving free hospital and medical care to veterans' dependents will reduce this item by about $482 million.

J. The Amendment will eliminate present governmental competition with commercial airlines, allowing the civilian lines to carry increased costs without resort to federal aid. Therefore, 1948 figures are used.

K. This is for *commercial* operations only—so it is deleted. Military space costs are included in military items.

L. This does *not* mean abolition of the postal service (authorized in Art. 1, Sect. 8 of the Constitution); but does mean limitation of the need for subsidy from general funds.

M. Since the total size of government will be reduced to about the level of 1948, costs will be reduced to 1948 levels.

N. About 40% of the central personnel (now furnishing "free" services to unconstitutional activities) would transfer to productive jobs. About 40% of the government's property would be restored to the states or private enterprise. Therefore, 1962 costs are reduced by 40%.

P. It is estimated that the sale of business-type assets to private enterprise will produce a minimum of $65 billion in revenue, to be applied against the national debt—thus reducing annual interest by $2,125 million.

Q. Since receipts will be cut to about 50% of the 1962 amount, this interest should be cut at least in half.

American Progress Foundation. December, 1954-February 28, 1963. MS The Hall-Hoag Collection of Dissenting and Extremist Printed Propaganda: Extreme Right Organizations (ERO) 76.43/Hall Hoag 923. Filmed from the holdings of The Hall-Hoag Collection of Dissenting and Extremist Printed Propaganda, John Hay Library, Brown University. Political Extremism and Radicalism, link.gale.com/apps/doc/DGDTHU629656280/PLEX?u=msul&sid=bookmark-PLEX&pg=1. Accessed 28 Mar. 2023.

Half-Free Trade Impractical Dream

By A. G. Heinsohn, Jr.

AS AN AMERICAN mill president I subscribe whole-heartedly to trade that is really free—because, in my opinion, the natural law of supply and demand is the greatest automatic regulator known to mankind.

But theory is one thing and fact is another.

What does FREE mean?

Webster's Collegiate Dictionary defines it "not confined, restrained, or restricted."

Free Trade then is a flow of goods across national boundaries unhampered by artificial restraints such as protective tariffs and all other man-made restrictions.

It is more than free entry of goods. It requires free capital, free management and free labor; all free from confiscatory taxes and strangling regulations.

Under such conditions those making the best mouse trap at the best price would benefit from a flow of orders and those using the trap would benefit from having the best trap at the best price.

So far, so good—in theory.

Then why not put the theory into practice by lowering or abolishing tariffs?

Because equal attention must be given to all restrictions, of which protective tariffs are only one, and not necessarily the worst.

Because if the trade is to be free to one it must be free to all, in all respects.

No contestant with an iron ball chained to his leg could hope to compete in a foot race against contestants who are foot-loose and fancy free.

For instance, if the people of one nation are forced by their Government:

(1) To pay wages ten times higher than others and to work short hours as determined by politicians and labor bosses instead of by the law of supply and demand;

(2) To suffer the high cost consequences of government interference on the farms;

(3) To bear a destructive tax burden in support of unsound socialistic ventures;

(4) To give tax money away abroad to create competition in the low wage areas of the world;

(5) To service a debt load too staggering for average comprehension;



(6) To forego the inalienable right to redeem paper money in gold, while permitting foreigners to do so; then it is obvious that the people of such a nation could not hope to compete with those unburdened by such handicaps.

If it is not the intent of the Half-Free Trade advocates, to deliberately destroy a nation so handicapped, then common sense would dictate putting all contestants on as even a basis as possible before embarking upon the proposed program and calling it Free Trade.

Since the imposition of more socialistic handicaps on the others would lead to retrogression, enslavement and higher prices, the proper course would be a return to freedom and low prices, by removing all socialistic controls.

Inasmuch as it is the American State Department that is sponsoring the Half-Free Trade drive, the same State Department that has built such a constant record of dismal failure in Poland, China, Korea, Hungary, Laos, Cuba, and now Africa, it is to be hoped that Congress will not be stampeded into precipitant action.

Only Congress now stands between those of us back home who do all the work and provide all the tax money and the international socialists who seek to impose their practical theories upon us.

Only Congress can now prevent the closing of American factories with the resultant loss of jobs, payrolls, and investments.

Only Congress can protect the American people against the starry-eyed bureaucrats in the State Department and the White House.

Only Congress can lead the American people back to a penitent return to trust in God and to a Government of limited power as prescribed in the Constitution.

CHOICE

The hour is late and surely the time has come for all Americans to decide whether to continue wearing the nose-ring of today's unprincipled political parties into complete socialism and eventual Communism; or to remove the nose-ring and to fight for principle and freedom instead of for political parties.

Before plunging into Half-Free Trade, let us first recapture our precious freedom in America that has been so tragically voted away by unscrupulous or misguided politicians of both parties.

As a constructive suggestion, let us demand that Congress hold hearings on

(Continued on page 17)

Mr. Heinsohn is President of Cherokee Textile Mills, Sevierville, Tennessee, and is affiliated with several other textile companies. He is the Co-Chairman of the Tennessee Committee, of the National Committee for Economic Freedom; and is on the board of several other libertarian and patriotic organizations. He is the author of *One Man's Fight For Freedom* and editor of the recently-published *Anthology Of Conservative Writing*.

This article, from the Knoxville (Tenn.) *Journal* of July 9, 1962, is an excellent example of "getting on the offensive." The author has utilized an issue raised by the opposition, but has refused to allow himself to be maneuvered into a defensive position—trying to prevent a further worsening of the situation. He has instead shown how the free-trade question is just one more reason why the Liberty Amendment must be passed.

Annual Conference

The Strategy of Freedom

September 20 & 21, 1962 (Thursday & Friday)
LaSalle Hotel — Chicago



LLOYD G. HERBSTREITH
Oshkosh, Wisconsin
Panel Moderator

"THESE ARE THE TIMES that try men's souls." So said Thomas Paine in 1776 at another time when all too few people fought against tyranny and taxes.

These words are tragically true today. The frustrations and the trials and tribulations which "try men's souls" in the present struggle are no less serious than those of 1776. The scene has changed, the cast of characters is different, but the issue remains the same.

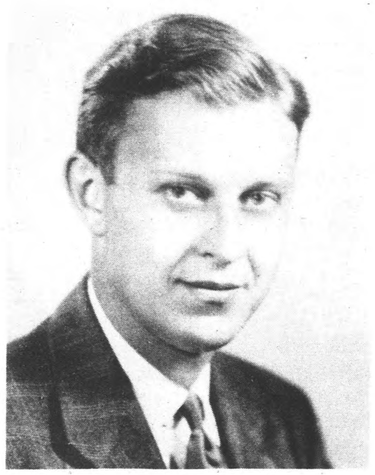
As the leadership of 1776 gathered together to find the ways and means of proceeding in the grim struggle for freedom, so the leadership today will assemble in Chicago, at the LaSalle Hotel, on September 20 and 21, 1962.

Although this meeting may not be as historic as some of those in 1776, the importance of the sessions are no less important. Ours is not the meeting to

(Continued on page 21)



WALLACE L. LEE
Portland, Oregon
Panel Moderator



ORVILLE F. SHERWOOD
Grosse Pointe, Michigan
Panel Moderator



FRANK FLICK
Bensonville, Illinois
Conference Chairman



ERNEST E. ANTHONY JR., M.D.
Fort Worth, Texas
Panel Moderator

OFFICIAL PROGRAM

Freedom is Neither Free nor Accidental—

WEDNESDAY, SEPTEMBER 19

3:00 p.m.—REGISTRATION BOOTH OPENS

Registration and Conference Membership Fee of $25.00 includes Conference Badge for attending all sessions ($15.00); the Directors' Breakfast ($3.50), and the National Awards Banquet ($7.50). Separately priced (as shown in paranthesis) these three functions cost $26.00. Save One Dollar—buy them together. *Make your reservations early.*

4:00 p.m. to 10:00 p.m.—INFORMAL DISCUSSIONS

State Delegations are invited to talk over State problems with the National Officers. (Please schedule appointments in advance).

THURSDAY, SEPTEMBER 20

9:30 a.m.—CONFERENCE OPENS—Lincoln-Douglas Room

9:45 a.m.—CONFERENCE CALL TO ORDER

Frank Flick, Conference Chairman, presiding

10:00 a.m.—PANEL: Building and Financing State Organizations

Ernest E. Anthony, Jr., M.D. (Texas) Moderator

Subject for Discussion: Organization Methods • Finding Key People • Delegating Activities • Projects That Pay Their Way • Fund Raising • Budgets and Allocating Funds

Panelists:

N. H. Owen (Alabama)
George W. Hatfield (Connecticut)
Carroll G. Simons, M.D. (Idaho)
Gordon Stephen Buttorff (Kentucky)
Vernon Hitchins (Massachusetts)
Lawrence Kukowski (North Dakota)
Walter F. Kempe (Utah)

11:15 a.m.—PANEL: Methods for Enlisting People

Wallace L. Lee (Oregon) Moderator

Subjects for Discussion: Identifying the People We Want • Where to Find them • Utilizing American Motivations • Building People Into Programs • Developing the Speakers' Bureau • Study Groups

Panelists:

Harold E. Newman (Alaska)
James E. Donati (California)
John M. Murrell, Jr. (Florida)
Harlan Hines (Montana)
Brooks Keogh (North Dakota)
George E. Thompson (Oklahoma)

12:30 p.m.—BREAK FOR LUNCHEON—No Conference Luncheon Schedules

2:00 p.m.—PANEL: Developing Local Organizations

Laurence C. Smith (New York) Moderator

Subjects for Discussion: Finding, Indexing and Classifying Existing Organizations • Developing Access to Organizations • Capitalizing Unity of Interest • Creating Co-operative Projects • Building Interlocked Leadership

Panelists:

Joseph S. Kimmel, (Iowa)
Mark Andrews (Missouri)
Walter E. Mondale (Montana)
J. H. Norman III (North Carolina)
Mrs. Philip L. Corson (Pennsylvania)

3:15 p.m.—PANEL: Use of Media

Lloyd Herbstreith (Wisconsin) Moderator

Subjects for Discussion: Newspapers and Magazines • Radio and Television • Letters to the Editor • News Releases and Editorials • Recordings and Motion Pictures • Presentations and Exhibits

Panelists:

David Watumull (Hawaii)
Kent Courtney (Louisiana)
Arthur Mauldin (New Mexico)
Morris Banner (Illinois)

4:30 p.m.—ANNOUNCEMENTS

Frank Flick, (Illinois) presiding
Recess until 7:30 p.m.

7:30 p.m.—NEW TOOLS AND THEIR USES—Illinois Room

Gordon van B. King, National Vice-Chairman, presiding

Here will be shown and discussed various items of new equipment and facilities created to help build public knowledge of and support for the *Liberty Amendment*. These new tools include two splendid film strips, an hour-long film and a hard-hitting 20-minute film plus a new book, and editorial service, a new radio program and an improved magazine

ANNUAL CONFERENCE

It is the Product of Careful Planning and Devoted Effort

FRIDAY, SEPTEMBER 21

7:30 a.m.—DIRECTORS' BREAKFAST

Willis E. Stone, National Chairman, presiding
Annual National Board of Directors Meeting—Douglas Room

9:45 a.m.—CONFERENCE CALL TO ORDER—Century Room

Frank Flick (Illinois) presiding

10:00 a.m.—PANEL: Helping Voters With Basic Information

Roger Williamson (Connecticut) Moderator

Subjects for Discussion: Developing Candidates' Questionaires • Enlisting Civic and Service Groups • Circulating and Evaluating Questionnaires • Assist in Publication of Candidate's Stand • Stimulate Candidate Debates on Issues • Making the *Liberty Amendment* the issue

Panelists:

H. C. Harlow (Arkansas)
Harold Nelson (Florida)
R. S. Jaggard, M.D. (Iowa)
Walter H. Wheeler (Minnesota)
Charles H. Reynolds (North Carolina)
Martin Vaalor (North Dakota)
Edgar Gardner (South Dakota)

11:15 a.m.—PANEL: Co-operation With Your Legislature

Orville F. Sherwood (Michigan) Moderator

Subjects for Discussion: Making Contacts With Legislators • How to Serve the Legislature • The *Liberty Amendment* in the Legislature • Avoiding Partisanship and Lobbying • How To Stay With Principles

Panelists:

Harold J. Peggs, M.D. (Arizona)
Mrs. Polly King Ruhtenberg (Colorado)
J. Milton Lent (Georgia)
George E. Shaner (Nevada)

12:30 p.m.—BREAK FOR LUNCHEON—No Conference Luncheon Schedules

2:00 p.m.—PANEL REPORTS AND DISCUSSIONS

Frank Flick (Illinois) presiding
Each panel will summarize its findings and make recommendations with brief discussions from the floor.

4:00 p.m.—REGIONAL GET-TOGETHERS

The need for close co-ordination of State programs by Regions has become apparent. This hour of program is set apart to help build these essential alliances for mutual co-operation and support.

5:00 p.m.—ANNOUNCEMENTS AND REPORTS

Adjournment

7:00 p.m.—NATIONAL AWARDS BANQUET—Illinois Room

Frank Flick, Conference Chairman, presiding

PRESENTATIONS

Willis E. Stone, National Chairman

INTRODUCTION OF GUESTS

Gordon van B. King, National Vice-Chairman

"LIBERTY IS THE ISSUE"

Captain Eddie V. Rickenbacker, America's "Ace of Aces"; Chairman of the Board, Eastern Airlines

GENERAL CONFERENCE INFORMATION

ROOM RESERVATIONS:

Make your room reservations directly with the La Salle Hotel, Madison & La Salle Streets, Chicago 2, Illinois.

RESERVATIONS:

Conference—$15.00
Directors' Breakfast—$3.50
National Awards Banquet—$7.50
Combined Price—$25.00
Reservations should be made as early as possible.

NATIONAL AWARDS BANQUET:

Open to the public at $7.50 per plate. This "star-studded" program should insure an overflow attendance.

ADMISSIONS:

Admission to all Conference Sessions will be to badge holders only. Admission to the Directors' Breakfast and to the National Awards Banquet will be by tickets only.

PANEL SESSIONS:

Each will open with a general statement of subjects to be discussed and the accomplishments expected.

PLAN TO STAY OVER . . .

. . . for the spectacular Constitution Day Convention of WE, THE PEOPLE! at the La Salle Hotel on September 22 and 23, 1962.

be a SALESMAN OF LIBERTY

Tools and Ideas to help you recapture your economic freedom

More Effective Letters



USE SALES APPEAL

By Morris Banner

CERTAINLY there's no shortage of letter subjects. The need for the Liberty Amendment is apparent everywhere. The newspapers and air waves are full of stories about the fraud and extravagance that go hand-in-hand with big government.

When you read or hear about anything that gets you all stirred up, grab a pencil or sit down at the typewriter and go to it. Write all you can, as fast as you can, just the way you feel at the time. But do not rush right out and mail the letter. It is almost certain to need a bit of polishing, if nothing more. Put it away, at least overnight. Let it cool. Then read it again and decide. Better yet, read it aloud to someone. How does it sound? Does it still say what you want it to? Is the reader likely to feel sympathetic toward your position? Or, will he think you are some kind of a nut? And don't forget the editor—your letter must first get *published*, before anybody can read it.

ORGANIZATION

Regardless of what you write about, organize your thoughts so that you make one main point per letter. Usually this "big idea" should be stated early in the letter, perhaps in the first sentence or at least in the first paragraph. Then very carefully relate this point to the Liberty Amendment. This should be done near the end of the letter, so as to give the reader a more lasting impression of both the problem and how you propose to solve it.

Most of us read the papers under pressure of time. As a result, we're likely to switch to something else when a writer begins to flounder, when the message goes sideways instead of forward. So stay close to your subject. The "shotgun" approach suggests you either don't know what you want to say or can't tell when you've said it. Of course, the editor may cut out parts of your letter, rewriting it and salvaging your main thought. But this is risky. It is too much like having someone else do your thinking for you. The editor may cut out the wrong things—edit it to suit his purposes, not yours. Besides, editors are also pressed for time. They're more likely to throw out your loosely-written letter and publish something else.

Don't zig zag or suddenly "change hats." Be consistent. Write with a definite purpose and stick to that purpose throughout. Build the strongest case you can, as quickly as you can. Bring in minor points only if they clearly and strongly contribute to the position you've taken. Otherwise you weaken your message, confuse the reader, and greatly reduce your chances of getting published.

STIMULATE ACTION

State the action you want the reader to take. Many good letters merely imply such action, hoping that readers will do the right thing. This may be taking too much for granted. It is usually best to spell out what you want readers to do, rather than to just leave them dangling in mid-air. Many times your suggestion will lead to action that might not be taken otherwise. And remember, the editor will cut out your action lines, if they're too drastic for him. But he will never write them for you, regardless of how much he is in sympathy with your position.

The following is an example of how you can take everyday events and relate them to the Liberty Amendment. This letter has been published in three papers that I know of. One editor ran it "as is", the others cut the last two paragraphs. It is not a perfect letter but does illustrate some of the points discussed above. Other qualities of a good letter will be described next month.

> The government made a big fuss over the steel price hike, because (they said) it might trigger another round of inflation. This is not the place to debate the price of steel. But we do wonder if part of the storm kicked up wasn't brought on by government's desire to divert attention from the fact that the administration's program is far more inflationary than anything steel ever dreamed of.
>
> Nothing tends to push prices up faster than deficit spending. Yet government programs grow and multiply, far outdistancing our ability to pay for them in taxes. The inevitable result is another red ink year for Uncle Sam and another boost in the national debt. All this . . . adds up to a force that has cut the dollar's purchasing power in half, in two short decades! And inflation is the cruelest thief of all, stealing mostly from those who are least able to protect themselves—the very young and the very old.
>
> No wonder government pounced on steel so fast. They had to have a whipping boy, somebody to blame for their own mistakes.
>
> Is government really so concerned about the individual citizen? Then why doesn't Uncle Sam get out of the hundreds of businesses he now operates in direct competition with free enterprise? The losses from these businesses, which are NOT AUTHORIZED by the Constitution, total over $40 billion a year. If we could cut the cost of government by that amount, we could then repeal the individual income tax law.
>
> There is a bill now before Congress, the Liberty Amendment. This bill would force government out of all activities not authorized by the Constitution. And with the money thus saved, it would also repeal the income tax.
>
> Let's pass the Liberty Amendment! Surely that would do more good than rolling steel prices back.

White Elephants & Sacred Cows

SOCIAL SECURITY?

THE ALLTIME number one Sacred Cow of our Federal Government must be Social Security.

Few federal schemes have been eulogized with such intensity or as universally. We, the taxpayers, have been taught how we give up a little of our hard-earned pay each payday, so that the government can return it to us later—saving us from an indigent old age. In other words, the government helps us to save for a "rainy day."

Despite what we've been led to believe, such is apparently not the case. Mr. Robert Myers, Chief Actuary of the Social Security Administration, recently clarified this to us. In answer to a question regarding an asserted "actuarial unfunded imbalance of $298 billion" in the Social Security Fund, he wrote as follows:

> I believe that the so-called $298 billion deficit that you refer to was really an incorrect description of a figure that I gave to the Committee on Ways and Means. I was asked what would be the unfunded accrued liability of the system under the assumption, which I pointed out at the time is unrealistic and arbitrary, that there would be no new entrants (generally at the younger ages) into the system in the future (despite the fact that in virtually all cases the law provides for compulsory coverage). The computation of this artificial, theoretical concept yields a figure that I stated to be about $320 billion, rather than the $298 billion that you quote.
>
> The concept of actuarial soundness as it applies to the Old-Age, Survivors and Disability Insurance system differs considerably from this concept as it applies to private insurance although there are certain points of similarity, especially as concerns private pension plans.
>
> In a private insurance program, the insurance company or other administering institution must have sufficient funds on hand so that if operations are terminated the plan will be in a position to pay off all the accrued liabilities. This, however, is not a necessary basis for a national compulsory social insurance system. It can reasonably be presumed that under Government auspices such a system will continue indefinitely into the future. The test of financial soundness, then, is not a question of there being sufficient funds on hand to pay off all accrued liabilities.

This is a statement of unpleasant facts:

1. Today's Social Security beneficiaries are not getting back their "nest-eggs" with interest; they are paid off by taxes collected from today's contributors. The money goes in one door and right out the other.

2. If the government were required to pay off present and future claims without benefit of any new contributors, it would be $320 billion short of having the money to do it.

3. This is a separate and *unpublicized* debt about equal to our published national debt.

4. There is no "rainy day" fund.

5. The Social Security Administration considers it "unrealistic, arbitrary, artificial and theoretical" nonsense to operate the system with the same kind of safeguards expected of a private company. In fact, the government itself would have long since jailed any private insurance company officials operating in such an irresponsible manner.

It would appear that the system should be divested of its legal immunities and transferred to private operation where the concept of "equal and just" laws will apply. Enforcement of that concept can be attained by applying the terms of the *Liberty Amendment*.

Between the Bookends

ECONOMIC LESSON

AN EXCELLENT TOOL of liberty has been placed in our hands by the recent reprinting of a famous book.

Economics In One Lesson by Henry Hazlitt—first published in 1946 — is now available in a 50¢ paperback edition. This makes it economically feasible to give a copy to each friend who appreciates the advantages of the *Liberty Amendment*, but can't see giving up all of those wonderful federal spending programs.

If anyone can show the fallacies of socialism, it is certainly Mr. Hazlitt. He begins with the one lesson: "The art of economics consists in looking not merely at the immediate but at the longer effects of any act or policy; it consists in tracing the consequences of that policy not merely for one group but for all groups."

FARM PROBLEM

For example, farm subsidies may help the farmers—but they can't help them anymore than they *hurt* the taxpapers who cough up the subsidies.

This lesson is then applied to inflation, subsidies, tariffs, government spending, and other areas. Once the reader is aware of the total incapacity of government to provide for the well-being of its citizens—as this book demonstrates—he will be ready to work for the kind of freedom that only the *Liberty Amendment* can bring.

Economics In One Lesson by Henry Hazlitt; Foundation For Economic Education, Irvington-On-Hudson, N.Y.; 50¢.

HOW TO SUCCEED

In THE NOT-RAISING-HOGS BUSINESS

Dear Mr. Senator:

My friend Bordeaux over in Pima County received a $1,000 check from the Government this year for not raising hogs. So I am going into the not-raising-hogs business next year. What I want to know is, in your opinion, what is the best kind of hogs not to raise? I would prefer not to raise Razorbacks, but, if there is no other good breed to not raise, I will just as gladly not raise Bershires or Durocs.

The hardest work in this business is going to be in keeping an inventory of how many hogs I haven't raised. My friend Bordeaux is very joyful about the future of this business. He has been raising hogs for more than 20 years and the best he ever made was $400 until this year, when he got $1,000 for not raising hogs. If I can get 1,000 for not raising 50 hogs, then I will get $2,000 for not raising 100 hogs.

I plan to operate on a small scale at first, holding myself down to about 4,000 hogs, which means I will have $8,000. Now, another thing: These hogs I will not raise will not eat 100,000 bushels of corn. I understand that you also pay farmers for not raising corn. So will you pay me anything for not raising 100,000 bushels of corn not to feed the hogs I am not raising? I want to get started as soon as possible as this seems to be a good time of the year for not raising hogs.

Octave Broussard

P.S. Can I raise 10 or 12 hogs on the side while I am in the no-hog-raising business . . . just long enough to get a few sides of bacon to eat?

EDITOR'S NOTE: This letter was inserted in the *Congressional Record*, we understand, by Senator Barry M. Goldwater of Arizona. We publish it here as a public service, because we believe that the Government Printing Office is dragging its feet in not having already published a booklet: *How To Not-Raise-Hogs For Fun And Profit*.

TRADE *(Continued from page 10)*

Congressman Utt's H.J. Res. 23, known as "The Liberty Amendment," full details of which are available from The National Committee for Economic Freedom, 6413 Franklin Avenue, Los Angeles, 28, California.

This proposed amendment to the Constitution of the United States of America would first eliminate the need for the money that is now being seized through the personal income tax; and then, when the expenditures were stopped, this tax, which was devised by Karl Marx and was prescribed by him in the Communist Manifesto for the self-destruction of America, would be eliminated.

As introduced by the Honorable James B. Utt, H. J. Res 23 reads as follows:

> **Sec. 1. The Government of the United States shall not engage in any business, professional, commercial, financial or industrial enterprise except as specified in the Constitution.**
>
> **Sec. 2. The Constitution or laws of any State, or the laws of the United States shall not be subject to the terms of any foreign or domestic agreement which would abrogate this amendment.**
>
> **Sec. 3. The activities of the United States Government which violate the intent and purpose of this amendment shall, within a period of three years from the date of the ratification of this amendment, be liquidated and the properties and facilities affected shall be sold.**
>
> **Sec. 4. Three years after the ratification of this Amendment the sixteenth article of amendments to the Constitution of the United States shall stand repealed and thereafter Congress shall not levy taxes on personal income, estates, and/or gifts.**

By now it has become painfully apparent that if we people back home do not throw off the yoke of tax-paying slaves that Congress has so wrongfully imposed upon us; if we do not reject political masters and return to worship of God; if we cannot again be free to keep that which we produce and be protected in the possession thereof—then we cannot call our souls our own, and we will not pass on to our progeny the precious human liberty that we inherited.

In conclusion, if the internationalists in the State Department cause American factories to close and American payrolls to vanish, then where will the money come from to purchase the low cost articles made abroad?

If the goose, as depicted by a prosperous, free America is killed, from whence will come the golden egg to sustain a ONE WORLD socialist utopia?

HOW SHALL WE CHOOSE?

Establishing a Yardstick For Candidates

THE DRIVE TO REVITALIZE the Constitution and make it the working law of the United States is gaining tremendous momentum, much to the consternation of all bureaucrats and the lust of politicians who keep them in power.

The reason for this bureaucratic concern is plain to see. The Liberty Amendment was designed to give new force and effect to the original Constitution of the United States, and this would abolish the bureaucratic empires; not because the Liberty Amendment specifically would abolish them, but the Liberty Amendment will give full force and effect to the original Constitution. This, in turn, will abolish the bureaucratic empires which have been in violation of the Constitution all the time.

(Continued on page 24)

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Essentially, the machine consists of a revolving, air operated, reciprocating hammer, working against an anvil which is adjustable in a rigid bracket. Many important details have been worked out for convenience, for neat appearance, for long life, and for superior performance. *Write for free bulletin, "High Speed Production Riveting."*

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NEWS FROM AROUND

PUBLICITY

IN A RECENT EDITORIAL, the New York *Daily News* gave some highly-valuable publicity to the *Liberty Amendment*. The editorial indicated that the *News* is receiving many requests for information on the subject.

It concluded with the notation "... it is being talked about more and more as time goes by and tax gouges take more and more money from the people for politicians to spend. In publicizing the Liberty Amendment, we consider that the *News* is performing a needed public service."

Soon afterwards, the popular Washington newsletter, *Human Events*, reprinted the editorial for its near-100,000 circulation.

And during the next few weeks, several hundred newspapers throughout the nation carried digests of the *News* editorial. Total circulation of this editorial thus amounted to several million.

CANDIDATES

DAVID A. HAMIL, Republican candidate for governor in Colorado, is answering inquiries about the *Liberty Amendment* with the following statement:

> The people have a right to determine whether or not they want agencies of the United States Government competing with private citizens in productive enterprises and services. The people have lived under the Income Tax Amendment for almost 50 years and also have the right to determine whether or not they wish to continue this type of taxation. Submitting the Liberty Amendment to them will give them an opportunity to vote on these matters. This, I believe, is in keeping with the original intent of the Constitution of the United States.

J. BRACKEN LEE, Mayor of Salt Lake City and former Governor of Utah, has challenged Wallace Bennett for his seat in the United States Senate. The Republican nominating primary is slated for this month.

One of Mr. Lee's most famous speeches was that of September 15, 1960, when he addressed the Utah Municipal League. On that occasion, he criticized the type of over-planning that such leagues always promote; and suggested that the League could make restitution for its mistakes by endorsing the *Liberty Amendment* (then the 23rd Amendment).



REED A. BENSON, Candidate for U.S. Congress from Utah's second district. Mr. Benson—son of former Secretary of Agriculture Ezra Taft Benson—has put the Liberty Amendment firmly into his platform.

NORTHERN CALIFORNIA

JAMES E. DONATI, California State Chairman, reports that "activity in this neck of the woods has been fantastic." In 1960, he gave about 100 speeches on the Amendment; in 1961, about 200. In the first seven months of 1962, he has already passed the 200-speech mark. He also reports that the *Liberty Amendment* received a good deal of publicity during the recent primary election campaign.

WISCONSIN STATE FAIR

AN EXCELLENT IDEA has just recently come to our attention. At the Wisconsin State Fair last year, the Wisconsin Economic Freedom Committee rented a booth, seizing an opportunity

THE NATION

to talk to thousands of people about the Amendment.

The Committee shared the booth with the Wisconsin Better Government Committee, an organization whose name relates its purpose.

Cost of the booth was $130, plus $35 for the Committee's display. Approximately one week was required to prepare for the fair. Committee members built the display and manned the booth in conjunction with Wisconsin Better Government Committee members.

Approximately 250,000 people attended the fair, many of whom received *Liberty Amendment* literature. A packet was distributed — containing the yellow card, *The Chains Of The Constitution* reprint, a petition, a newspaper reprint, and a brochure introducing the local committee.

Lloyd G. Herbstreith, Chairman of the Wisconsin Economic Freedom Committee, reports that "the booth was an excellent vehicle for educating the public on the *Liberty Amendment*. Most people accepted our literature politely and graciously. Many lingered to discuss the amendment."

Here is an idea that can be duplicated at other fairs, anywhere in the country. For $165 and 20 willing volunteers, many additional people can become well acquainted with the *Liberty Amendment*.

WHAT YOU CAN DO

REGAINING OUR FREEDOM is a great task. Our minds therefore are geared to think in terms of great solutions. It is only natural that we often overlook the little things that can be done to aid the cause of liberty.

One small—but meaningful—thing we can all do is to support those companies that support the free enterprise system. Too few businesses are willing to fight for their freedom. The least we can do is to patronize those firms that *will* stand up and be counted for liberty.

By patronizing a firm that has aided the cause of freedom—and then letting them know *why* you patronized them—you are helping to bring more companies into active participation on behalf of Americanism.

One good place to start is with the companies that advertise in *American Progress*.

These companies are in business to make a profit. And only sales can produce that profit. So give them more than just praise—give them your business whenever possible. And let them know you're responding to their ads in *American Progress*.

By so doing, you help the future of free enterprise—and help to produce a better magazine—at the same time that you help yourself to the finest products and services available.

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Cherokee Textile Mills 26
Deering-Milliken Research Corp. 2
Fact Sheet 23
Farrel-Birmingham Company, Inc. 25
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Grand Central Industrial Center 22
Hawaiian Paradise Park 17
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HELP! THEY'RE ROBBING WIDOWS AGAIN!

By Harry Browne

LOUD AND CLEAR, throughout the land, the politicians are calling for a tax cut. They propose to reduce income taxes—claiming that this will put more money into the hands of the consumer, thereby stimulating the economy. Is that really what will happen? Let's trace the inevitable chain of events:

1. The government lowers income taxes—let's suppose it cuts $9 billion.

2. The government's deficit for the current fiscal year is thereby increased by $9 billion.

3. In order to finance the increased deficit, the Treasury Department sells additional bonds, totaling $9 billion, to banks of the Federal Reserve System.

4. The Reserve System pays for the bonds by issuing the equivalent in new paper money (Federal Reserve Notes).

5. These notes increase the amount of money in circulation (by $9 billion), thereby decreasing the total value of all money already in circulation (by $9 billion). Since only the supply of dollars is increased, while the supply of commodities remains the same, each commodity will inevitably equal more dollars. We call these rising prices "inflation."

6. Those who receive the income tax cuts may not be hurt by the inflation, because they can obtain cost-of-living pay raises. But senior citizens, widows, disabled veterans and others living on fixed savings will be forced to make up the difference—by having their money worth less than before the tax cut was instituted.

In other words, a "reduction in taxes" without an equal reduction in federal spending is nothing but fiction. It is just a shifting of the load to areas we don't watch as closely. To gain favor with the wage-earner, the politician turns to robbing widows again!

Let's make a motion to bring about *real* taxpayer relief.

Here's how it works:

1. Cancel all foreign aid for a starter. If the nation is as bad off as the government says, we obviously can't afford to support alien governments around the world. That will save $4.5 billion.

2. Eliminate all farm subsidies, price supports, soil bank, and other agricultural subsidies. That would save our widows about another $4.5 billion.

3. Thus, we will have saved $9 billion for the government this year, without losing a penny's worth of service. *This will save the average family $225 in taxes.* And that will be *true* relief, not the sleight-of-hand variety.

But for real relief, let's pass the Liberty Amendment. That will compel the government to give up *all* of its wasteful, unconstitutional activities—thus providing for complete repeal of income taxes.

That will certainly "get the economy moving"—as well as restore our lost liberties—and it will be the *American Way!*

Harry Browne is the Associate Editor of *American Progress Magazine;* and Managing Editor of American Way Features, Inc.

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JET FUEL PUMPS Available in sizes from 2 to over 500 horsepower. Designed especially for rapid fueling of aircraft. Capacities from 50 to over 2000 g.p.m. for avgas, jet fuel and turbine fuel. No above ground surface obstructions — all pumping equipment is installed underground. U-L Approved.

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INDUSTRIAL AND WATER FLOODING PUMPS Reda manufactures a complete line of pump models for waterflooding and industrial water needs. Standard models from 5 to 40 horsepower. Capacities to over 1,000 g.p.m. Larger models to 300 H.P. and over are also available.

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Manufacturers of electric submergible motors and pumps for over 40 years. Pumps for Oil, Brine, LPG, Gasoline, Jet Fuel.

CONFERENCE *(Continued from page 11)*

devise the means of fighting a war for the establishment of human freedom protected by law in 13 Colonies. Ours is the task of developing the procedure for invoking the terms of the LIBERTY AMENDMENT that human freedom may regain its power and glory in America.

Leadership from every part of the nation—we hope from every State in the Union—will be assembled. We gather, not with rancor against tyranny under whatever name, but with devotion to our historic institutions of liberty.

The terms of the freedom we seek are not new in the land. They are as old as the nation itself, for they are spelled out in the Constitution which gave this nation life.

The objective of the Conference of 1962 is not to revise, alter, change, add to nor subtract from the terms of the original Constitution. Our purpose is to give it force and effect. In doing this, and this alone, we can abolish the institutions of tyranny which have grown up amongst us without our consent or authority.

For this we gather. No higher purpose can be found than the inspired effort to revitalize our institutions of freedom which bring unlimited blessings to every person in the realm. None of this is easy, but it is the most rewarding effort mankind can make. As Thomas Paine said:

"These are the times that try men's souls. The summer soldier and the sunshine patriot will, in this crisis, shrink from the service of his country; but he that stands it now, deserves the love and thanks of man and woman. Tyranny, like hell, is not easily conquered; yet we have this consolation with us, that the harder the conflict, the more glorious the triumph. What we obtain too cheap, we esteem too lightly; 'tis dearness only that gives everything its value. Heaven knows how best to put a proper price upon its goods; and it would be strange indeed, if so celestial an article as Freedom should not be highly rated."

THE LIBERTY AMENDMENT

These are the terms of the proposed LIBERTY AMENDMENT *pending in Congress as* H. J. RES. 23 *and supported by identical Resolutions adopted by the States of* WYOMING, TEXAS, NEVADA, LOUISIANA, GEORGIA *and* SOUTH CAROLINA:

"Sec. 1. The Government of the United States shall not engage in any business, professional, commercial, financial or industrial enterprise except as specified in the Constitution.

"Sec. 2. The constitution or laws of any State, or the laws of the United States shall not be subject to the terms of any foreign or domestic agreement which would abrogate this amendment.

"Sec. 3. The activities of the United States Government which violate the intent and purposes of this amendment shall, within a period of three years from the date of the ratification of this amendment, be liquidated and the properties and facilities affected shall be sold.

"Sec. 4. Three years after the ratification of this amendment the sixteenth article of amendments to the Constitution of the United States shall stand repealed and thereafter Congress shall not levy taxes on personal incomes, estates, and/or gifts."

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TVA—VALLEY OF DEPRESSION

By Raymond C. Baker

While public power advocates in the Kennedy Administration push plans to nationalize America's electric power industry, people are starving in the heart of the world's biggest socialized power project—the Tennessee Valley Authority.

Created by Congress nearly three decades ago "for agricultural and industrial development" among other things, TVA's seven-state area actually is one of the nation's most depressed. And this in spite of the fact that all taxpayers have been forced by Congress to pour more than two billion dollars of their hard-earned income into the area.

Why should a gigantic octopus with tentacles stretching throughout Tennessee and into Alabama, Georgia, Kentucky, Mississippi, North Carolina and Virginia, fail to accomplish the very purpose for which it was created— to bring prosperity to a languishing area in an otherwise prosperous nation?

REASON

Perhaps one of the answers lies in the principal purpo for which it was created. This wa to control floods in the meandering ennessee Valley. Before TVA, mos of the lush farmland lay in the river bottoms where crops grew in abundance. But with the construction of high multi-purpose dams which created giant lakes, TVA brought the greatest flood ever known to the Valley. Moreover, it is permanent, not just an occasional flood that brings disaster to comparatively few farmers perhaps once in ten years.

Today, out of America's 30 farm states, Tennessee ranks 25th. While the average value of land and buildings per farm in the United States is $34,472, those in the valley states are worth only $14,435. Tennessee is second from the bottom of the seven states, for an average value of $12,576. only $750 more than Alabama's farms. This can hardly be called agricultural prosperity.

INDUSTRIES

Production of what TVA sponsors called "incidental" power was supposed to bring new industries to the area to create new jobs. But the figures show otherwise.

In 1940, the Valley states had a population of 20,271,000. Twenty years later, population had grown to 24,511,000, a 21 percent gain. During the same period, the national gain was 37 percent.

There is more to the vaunted "prosperity" of the Valley. Of the 169 counties in the TVA region, 87, or more than one-half, are classified by the Department of Labor as "depressed areas." This means that one or more out of every 17 employable persons is out of work and has been for at least one year, that unemployment runs from 50 to 100 percent above the national average.

And there is still more in this heart-rending story. Just north of Chattanooga, where the Sequatchie River meets the Tennessee, is a pocket of poverty which probably qualifies as "the nation's most depressed area." Unemployment in this three-county section of the Cumberland Mountains, centering around Whitwall, Tenn., ranges from 70 to 90 percent. Malnutrition and anemia are rampant among the area's 6,500. These people depend on coal mining for their living. But TVA has thrust these citizens and their coal aside, because it can buy fuel cheaper elsewhere.

This is socialism at work. It is government by Authority, not by the people.

ENCROACHMENT

Since inception of TVA public power advocates have been hacking away a little at a time at investor-owned electric companies in various parts of the nation, and doing it so imperceptibly that the people have hardly been aware of what they have been up to. More than one-fifth of the nation's power supply is now socialized.

You, as a free citizen who believes in our republican form of government, can reverse the socialistic trend. The Liberty Amendment will undo the federal power injustices of the past, and prevent further abuses in the future.

Let's put an end to Valleys of Depression.

Guest columnist Raymond C. Baker is a former newspaperman who writes widely on economic and industrial subjects.



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CHOOSE *(Continued from page 17)*

The Liberty Amendment, designed to give new force and effect to the original Constitution, is gaining ground at a fabulous rate; in fact, it has become the foundation upon which the renaisance of patriotic fervor rests. The vast upsurge of public support for the proposed Amendment appears to be based upon the high and inflexible principles of true Constitutionalism, which it represents.

The Liberty Amendment does not deal in personalities, partisanship nor politics. There is no intention to tinker with, or in any way alter, the intents and purposes of the Constitution. The whole purpose is to make the Constitution live again and have full force and effect. This naturally attracts the great number of citizens who have long resisted the idea of voting "for the lesser of two evils" on Election Day simply because of party affiliation. Here we have a firm and fundamental rule of conduct for government which we can mutually support because it favors none and protects all from the instrumentalities of tyranny which have long been creeping upon us.

RESISTANCE

It is surprising that this simple doctrine of Constitutional principle, this restatement of equity and justice, should meet with such determined resistance from so many quarters. There is one school of thought willing to settle for whatever it is we have now. The advocates of sustaining the "status quo" generally agree that we have drifted far from the true course of liberty and greatness established by the founding fathers. However they resist the efforts to restore truth and freedom for fear it might upset our "economy" or the balances of power in which the federal bureaucracy has assumed such a dominant situation.

What might be desirable about this "status quo" is a mystery. Its spokesmen are not necessarily people with a stake in the political empires being built. It may be they are honestly tired of the endless tug-of-war between the advocates of total political power and our Constitutionally guaranteed free enterprise system. It may be they intend that the struggle for power stop here, each side settling for whatever they may have now. There is only one trouble with such a situation. The "status" will not remain "quo". Bureaucratic lust for power will not be content until it becomes all powerful, nor can freedom really exist in America, or anywhere else, in chains and under the domination of tyrannical force.

Students of history tell us we must be one thing or the other—either economically free from political domination and confiscation or stripped of our economic capacity for freedom through the centralization of all power and property in government. This last we currently call by many names, such as socialism, communism, fascism and a host of others, but the philosophy involved was ancient long before the Pharoahs of Egypt practiced it.

OTHER IDEAS

There are many other ideas on what might be done to offset the growing concentrations of power. Some assert that our troubles are based upon money, while others concentrate on questions of health, industry, communication, transportation and many other cardinal elements in our lives.

(Continued on page 25)

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CHOOSE *(Continued from page 24)*

It is true that all of these represent very important aspects of our problems. The bureaucratic invasion has taken place in every conceivable area of our lives. We cannot now imagine that by defending one segment of the economy, we can win the war for economic freedom. The bureaucratic empire builders have invaded every segment of our economy. They are in direct competition with every human vocation.

Of course it is necessary for each segment of our economy to maintain a strong defensive effort to prevent any further political encroachments upon, or seizure of power in, that particular segment. At best this effort is defensive—rarely does any such effort aim at retrieving any part of the economy already lost. Thus the defensive effort becomes a delaying action primarily. It cannot, in itself, win back freedom, but it can permit time to muster the forces for counter-attack which may regain freedom and retrieve all of the area lost. Unless the defensive action on a multitude of fronts can be so geared to mutually support a counter-attack, the defensive efforts alone are destined to lose.

INDICATORS

This is a lesson most industries have still to learn. Certainly the industrialist, or the professional man, or business man is blind, indeed, that cannot see the handwriting on the wall resulting from the recent political pressures upon the steel industry and the fantastic attack upon private medical practices, which are still fresh in our memory. These, however, are but separate aspects of our multitude of problems that all come under the single head of an attack upon our private enterprise system.

There are others who believe our troubles come from the established political parties, and that the answer lies in creating a new party dedicated to true American principles. Desirable effort to forge sound programs and platforms has been undertaken, but the problems are of such magnitude that a new party offers a doubtful solution.

In the first place, the existing political parties were formed for the highest purposes imaginable and with the very best of intentions, but we still find there is no way of keeping the machinery of a political party to its tasks. This is true because anyone can become a member of any party simply by designating his or her choice. This involves no declaration of faith or of anything else. Once in a party, anyone may take any part in party affairs he or she may be capable of attaining. The business of a political party is a matter of vote-getting. Thus the party of Jefferson and Jackson, although still paying homage to the founding fathers, represents only the slightest similarity to the philosophy the founders established. By the same token the party of Lincoln no longer reflects the true philosophy of the man revered as its founder.

It would therefore appear that a new political party although it may have a salutory effect for a time, would not offer a satisfactory or durable solution. It is perfectly plain, however, that we must approach any solution to our problems through political channels.

CHANNELS CONTROLLED

The present political parties control all of the machinery through which we must work to resolve the problems of the nation and the people. The hue and

(Continued on page 26)

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CHOOSE *(Continued from page 25)*

cry is heard each election year for more "conservative" representatives at state and federal levels. To this most of us agree.

There is a problem, however. How are we going to identify a conservative? We have had representatives who talk most conservatively, yet vote the other way. We have had party platforms that contain ultra-conservative planks, yet they never seem to become operative because other planks in these platforms seem to contradict. It is unfortunate, indeed, that the high ideals developed in some campaigns seems to get lost in the shuffle when "pork barrel" legislation comes along for action. Because of this, there is a growing skepticism in the hearts of great numbers of Americans that anything at all can be resolved in the elections as long as they are held under tight partisan control.

Vast numbers of stalwart Americans stay away from the polling booth on Election Day. They declare themselves sick of the task of attempting to vote for the "lesser of two evils." These are good Americans, and sadly disillusioned, yet they represent the dominant power on any Election Day. The people who customarily do not vote hold the balance of power. They can elect anyone they wish when they have the opportunity to vote for principles instead of partisans.

PROTEST VOTE

Unfortunately, this non-voting public does not use its "balance of power" as a general rule. They just stay home. Theirs is a protest vote—a protest against the little-at-a-time watering down of the American concept. They protest that dilution of principle built upon the altar of expediency.

There is evidence that this vast balance of power is beginning to move. It is requiring candidates for state and federal offices to declare their position on the Liberty Amendment. This is not because the Liberty Amendment attempts to set up any new regime or philosophies, because the Liberty Amendment attempts none of this. It has but a single purpose, which is to give new force and effect to the Constitution of the United States. This is what it says:

> Section 1. The Government of the United States shall not engage in any business, professional, commercial, financial or industrial enterprise except as specified in the Constitution.
>
> Section 2. The constitution or laws of any State, or the laws of the United States shall not be subject to the terms of any foreign or domestic agreement which would abrogate this amendment.
>
> Section 3. The activities of the United States Government which violate the intent and purposes of this amendment shall, within a period of three years from the date of ratification of this amendment, be liquidated and the properties and facilities affected shall be sold.
>
> Section 4. Three years after the ratification of this amendment the sixteenth article of amendments to the Constitution of the United States shall stand repealed and thereafter Congress shall not levy taxes on personal incomes, estates, and/or gifts.

These words of the Liberty Amendment, pending in Congress as House Joint Resolution 23, and already approved by the states of Wyoming, Texas, Nevada, Louisiana, Georgia and South Carolina would restore the Constitution of the United States; would re-establish states' rights and state sovereignty over their own domestic affairs. It would re-establish the right of labor to the product of its toil. It would re-construct the free market and give everyone an equal opportunity in it. It would re-vitalize the original Constitution and lay the foundation for a rebirth of eco-

(Continued on page 27)

The personal income tax, which was devised by Karl Marx and was prescribed by him in the Communist Manifesto for the self-destruction of America, is the source of all evil. It can, and must, be repealed if America is to remain a nation of free people.

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CHOOSE *(Continued from page 26)*

nomic growth the like of which the world has never seen before.

RETURN OF PROPERTY

It would do this by simply forcing the federal government to sell the land and institutions it currently holds without Constitutional authority back to the American people from whom it has been taken.

It will put the land and facilities back under state jurisdiction and under responsible, tax-paying management. By doing this, the cost of government will be cut more than half, removing entirely the need for the Marxist-inspired income tax. These are the ancient ideals and traditions of the American people. To restore these basic concepts of equity and justice, the stay-at-home voters are beginning to emerge. They are requiring candidates for state and federal offices to declare their position on this question of public policy.

The old-time party bosses are losing control of the public servants because the individual candidate is having to stand and declare his personal position on these questions of public policy. The incumbent is being held responsible for his personal conduct of the office to which he was elected. The Liberty Amendment follows the prescription first offered by Thomas Jefferson when he said:

"Let no more be said of confidence in Man; just bind him down from mischief by the chains of the Constitution."

RESISTANCE

There are many candidates that resent this intrusion upon their privacy or party "regularity." They hesitate to declare their position. They point to a voting record in which they are, perhaps, 75% conservative. They stress the fact that we need more conservative candidates.

It is true that we need more candidates who are conservative, and we need candidates with more conservative principles. But how are we to tell the degree of conservatism of any candidate or any office-holder if he is not ready to declare his position on questions of public policy?

A present office holder may be rated 75% conservative, and by the same yardstick he measures 25% liberal. It is this bit-at-a-time watering down of our American concepts which has produced the problems about which we now complain.

It is right and proper that we compel candidates to declare their position on all questions of basic public policy.

It is right and proper that we highly publicize the answers we get from candidates on these questions of public policy.

It would be desirable if service clubs, civic organizations, and groups of every kind would truly perform a community service by requiring candidates to tell where they stand on the Liberty Amendment, and then widely publicizing that information.

Once we comprehend the full value of a conservative position, and the facility of the Liberty Amendment to provide it, then, and not until then, will we have a crop of candidates that are truly conservative and upon whom we can depend when we give them positions of power.

There are many people that fear the coming election. Why do we fear it? Is it because we know not what it holds for us? Then it is incumbent upon all American citizens to become informed. Be very sure you get an answer from your candidate as to exactly where they stand on primary questions of public policy.

The Liberty Amendment is the ideal yardstick upon which all candidates for public trust may be effectually evaluated.

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WHO IS YOUR ENEMY?

Millions of Americans are concerned, anxious, and angry today. They have come to realize the terrible dangers that face us and threaten our civilization. They are becoming aware of the deceit that lulled us to sleep as the threat developed.

This awakening is often accompanied by bitterness, a desire for revenge—and even hatred—toward those considered responsible for our troubles.

Many label communism or socialism as the nation's number one problem. Then they begin looking for reasons behind the problem—a cause behind the effect—or even a cause behind the cause. It becomes fashionable to pin the ultimate responsibility on some specific individual, group, or movement. In the course of their investigation, people often get so wrapped up in the question of "who" that they lose sight of the problem itself; and they insist that others join them in branding this particular "who" as the real threat.

The target for their bitterness could be almost anyone or any group. However, there are certain theories that have developed particular popularity. These theories place the blame for all of our troubles on one of our great religions—or on a centuries-old secret society—or on a conspiracy of the rich or the poor. And the entity thus selected becomes the target of all wrath.

It is not our desire or intention here to pass judgment on the possible truth of any particular theory. In fact, the point we'd like to make is that we'd be better off *not* worrying about which target or which theory has the most merit.

Even if we could identify one of these "enemies" with certainty, we would accomplish very little. For we must deal with facts, not people. Crimes against the people or acts of oppression are a manifestation—or symptom—of our *real* enemy.

And that *real* enemy is not a "who"—it's a "what."

Our enemy is tyranny—

—Whether in the slave camps of Vorkuta, in the massacre of innocent people in Katanga, or in the harrassment of private enterprise in America, its name is the same—*tyranny*.

Since it works through many elements and people, it is easy for us to mistakenly direct all of our attention at the people who carry out its evil designs. But the people are only pawns in tyranny's endless war of oppression.

Tyranny persecuted the Jews in Egypt, the Christians in the later days of Rome, and the Colonists in America. Every page of history is drenched with the blood of its oppression.

It has always been the enemy of man, and it always will be. But it is not unbeatable—despite the fact that it has so overpowered man for ages.

To defeat tyranny, we must understand it. We must identify its weapon and disarm it.

Big business can not oppress an unwilling public—until tyranny's weapon enters the picture.

A corrupt labor union official is only a petty thief—until tyranny's weapon is placed in his hand.

Tyranny's weapon is always the same. Without it, it is powerless. With it, it is hell on earth.

Tyranny's only source of strength, its only method of oppression, its weapon—is *political force*. The machinery of government is always preferred by tyrants.

No problem, no criminal, no swindler can oppress a society, until it legalizes its immorality through political contrivance. When it gains control of the police, the courts, and the power to confiscate, it becomes a terrible oppressor.

Tyranny can not exist where the power of government is strictly limited to an enforcible size and scope.

But tyranny thrives where the government is unlimited, and is the prize of the most ruthless.

Every possible conspiracy ever seen or imagined by the mind of man has had as its object the control of unlimited government. It has no plans for power that do not involve political collusion of government.

Yet how oppressive could such a conspiracy become if government is strictly limited by indestructible safeguards?

It is the size and scope of government that makes the difference. Next time you want to lash out at a Billie Sol Estes, remember: It is the limitless potential for plunder, through bureaucratic government, that created him, and thousands like him not yet exposed. Without it, he would have been a harmless pickpocket from Pecos.

The labor leader who controls a million-dollar treasury and harasses business unfairly is not the cause of our problems. The machinery of government has been abused to put him where he is and give him immunity.

Strangely, most of these people who earn our contempt for participating in tyranny might have been splendid citizens were not the plunder of unlimited government so alluring.

But tyranny *can* be defeated.

By eliminating tyranny, we eliminate the plunderers.

By binding down our government with the "chains of the Constitution," we can thwart tyranny. By making it impossible for government to trespass beyond certain well-defined limits, we automatically void the capacity for oppression.

No matter "who" may be the practitioner creating our problem, the solution is still the same—prevent the limitless expansion of government.

The Liberty Amendment is capable of reducing the size and scope of government to the point where it can't be utilized as an instrument for tyranny by *any* conspiracy.

The Liberty Amendment will restore to private use the billions of dollars of private wealth now at the disposal of whoever captures control of the power of government.

So why sit around and argue the question of "who"? Let's instead concentrate on the remedy—the one cure that applies to *any* possible conspiracy.

Let's let hatred be the monopoly of the conspirators. We don't need to direct it at anyone. It saps our strength and weakens our case. We have a solution—let's concentrate on it.

No matter who or what you consider to be the manifestation of the enemy, the Liberty Amendment will prevent it from carrying out its evil designs. It will restore the guards that will prevent tyranny from using our government as a weapon.

We all have one common enemy. It is tyranny.

Let's defeat it by applying Thomas Jefferson's recommendation: "Let no more be heard of confidence in man, but bind him down from mischief by the chains of the Constitution."

We can do this by adopting the Liberty Amendment.

So—Let's do it!

WHAT IS FREEDOM?

Freedom is NOT free!
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To have EFFECT, it must be ENFORCEABLE

the LIBERTY ADMENDMENT

is designed
to provide EFFECTIVE DEFINITION
and give it CONSTITUTIONAL FORCE

The LIBERTY AMENDMENT (full text on page 7) is now pending in Congress as H. J. Res. 23, and has already been approved by Wyoming, Texas, Nevada, Louisiana, Georgia, and South Carolina.

Here are a few of the many projects now in process to help pass the Liberty Amendment:

- Expanding the program in the 43 states now organized
- Building programs in the remaining seven states
- Training leadership to fight for your Economic Freedom
- Coordinating programs through the National Conference (LaSalle Hotel, Sept. 20 and 21, 1962)
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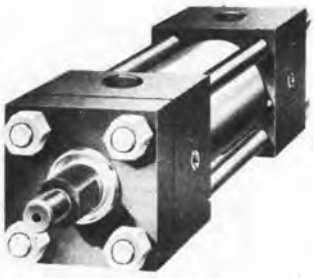
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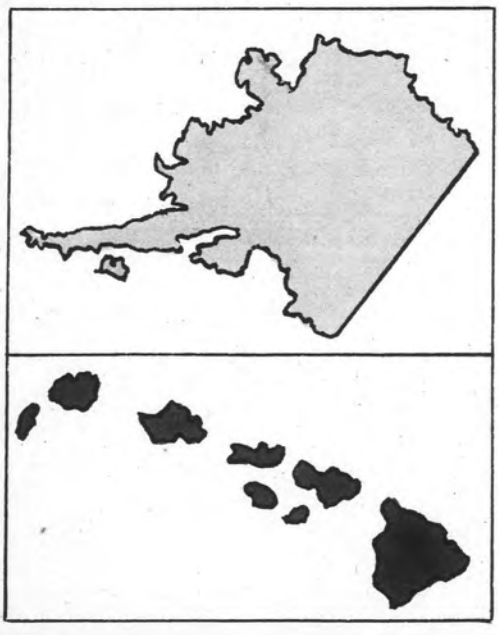
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American Progress Magazine

FOR ECONOMIC FREEDOM

1963

YEAR OF OPPORTUNITY



6 STATES HAVE APPROVED THE LIBERTY AMENDMENT

22 STATES HAVE INTRODUCED IT IN 1963

14 MORE STATES EXPECTED TO CONSIDER IT IN 1963

8 STATES NOT IN SESSION OR NOT EXPECTED TO CONSIDER

VOL. 8, NO. 1 25¢ JANUARY-FEBRUARY, 1963

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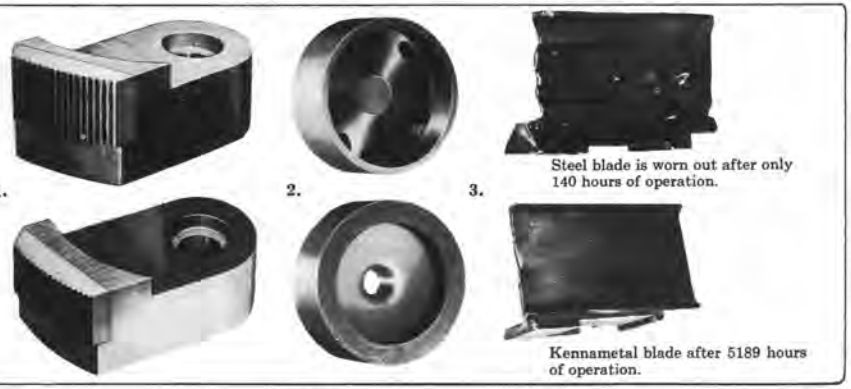
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American Progress MAGAZINE

For Economic Freedom

JANUARY-FEBRUARY, 1963 • Vol. 8, No. 1

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Your Introduction To The Liberty Amendment.....16-Page Insert

Published Bi-Monthly for

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by

WILLIS E. STONE, Publisher
FRANK FLICK, General Manager
HARRY BROWNE, Editor

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Additional copies of this issue:
25¢ each, 5 for $1.00, 100 for $18.00

REGULAR FEATURES RETURN NEXT ISSUE

Our regular departments—*Between The Bookends, Questions & Answers, Salesman Of Liberty*, etc. — will be back with us again in the next issue. Because 16 pages of this edition are devoted to the new booklet, *Your Introduction To The Liberty Amendment*, it has been necessary to cut other editorial material. In addition to our regular features, our next issue will provide up-to-date progress reports on the 1963 legislative results—together with several practical "how to do it" articles for the "salesman of liberty."



From the Publisher's Desk

by

WILLIS E. STONE

Publisher; and Chairman, National Committee for Economic Freedom

1963 — YEAR OF OPPORTUNITY

Without question the year of 1963 affords the greatest opportunities we have yet known in the battle for economic freedom.

On page 4 of this issue, you'll find many illustrations of these opportunities—new tools, strong State Committees, and growing interest in the 36 State Legislatures. You'll want to read that summary thoroughly and enjoy with us the optimism that exists.

But even beyond those tangible facts, there are many other factors at work—factors we too often overlook. There is maturity in our membership, knowledge and experience. Today thousands of leaders and supporters are active, where once there were so few. And these militant advocates for the LIBERTY AMENDMENT are diligently enlisting more thousands to the cause.

The public is more receptive. Americans are weary of bureaucratic bungling, bungling to cover up the bungling and the ever-increasing tax burden to pay for it. Important, too, is the slow but sure awakening of State Governments. The danger of extermination faces them, signaled by the insidious usurpation of state affairs.

These circumstances provide us with growing opportunities to promote the LIBERTY AMENDMENT.

But these favorable conditions are not without serious opposition. As Thomas Paine wrote in 1775, "It would be strange indeed, if so celestial an article as freedom should not be highly rated."

Make no mistake about it—a vast $40 billion-a-year federal bureaucracy is frantically working behind the scenes, with the power of our tax dollars, to head off the renaissance of Americanism generating through the support of the LIBERTY AMENDMENT. Unfortunately too, there are others who pretend to speak for the membership of great organizations in opposition to economic freedom.

Yes, the battle for freedom is a grim one. Our way of life—the very existence of freedom—is at stake. We dare not lose. Indeed, we do not have to. We have this great year of opportunity—the foundation is laid.

Now it is up to us. We shall certainly win if we but bring to the conflict the same devotion to principle that the Founding Fathers gave to it saying:

WITH A FIRM RELIANCE ON THE PROTECTION OF DIVINE PROVIDENCE, WE MUTUALLY PLEDGE TO EACH OTHER OUR LIVES, OUR FORTUNES, AND OUR SACRED HONOR.

The full text of . . .
THE LIBERTY AMENDMENT
. . . appears on the inside back cover

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NEW BOOK

EXPLAINS, PROMOTES THE AMENDMENT

A NEW BOOK, to be released April 1, will help accelerate the growing momentum of the Liberty Amendment.

Entitled *Action For Americans*, it is the first book devoted solely to the Amendment—providing a much-needed educational foundation for the movement. It has been authoritatively written by Gordon van B. King, National Vice-Chairman, and Lloyd G. Herbstreith, Wisconsin Chairman.

Action For Americans furnishes a complete understanding of the Amendment—why we need it, how it works, and what it will do. An idea of the scope of the book can be obtained by noting the Table of Contents, reproduced to the right.

The book will aid the Liberty Amendment movement in many ways. It will give you a thorough background, arming you with the ammunition necessary to sell the Amendment.

In addition, it will provide an excellent introduction to people who are unfamiliar with the Amendment, demonstrating the need for a return to constitutional government. To those already aware of the need, it will show the method of attainment.

BACKGROUND

Several years of research and writing time have gone into *Action For Americans*. The authors have woven flawless documentation into a persuasive style of writing. It all adds up to a book that will help to rally the support needed to enact the Liberty Amendment.

Covering 176 pages, it is being published in the popular card cover format—at an inexpensive $2.50 price. Advance orders received with payment before May 1, 1963, will be filled at the *pre-publication price of $2.00*.

To receive your copy immediately upon publication date, use the convenient order form on page 27.

Action For Americans has arrived at an opportune moment—when millions of Americans are searching for a return to the concepts of freedom. This powerful book will show them *how* to reestablish those concepts.



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4. Amendments Since The Bill of Rights
5. Suggested Reading
6. Bibliography

American Progress MAGAZINE to become . . .

BEGINNING WITH THE NEXT ISSUE, we will be wearing a new name:

FREEDOM MAGAZINE

After due deliberation, it has been determined that *Freedom Magazine* would be the most appropriate name for a publication that is devoted to the job of securing freedom for all.

The long established name *American Progress* has not been adequately descriptive of our efforts, and in many minds may represent an entirely different activity than that undertaken by the National Committee For Economic Freedom and its affiliated State Committees for Economic Freedom.

Our new name will tie in much more closely with the organizations and purpose for which your magazine is published.

And, although Freedom Magazine is published specifically for the National Committee for Economic Freedom, it is designed to help *all* who are working for freedom, regardless of specific interest or organizational affiliation.

We hope to reach all freedom-loving Americans, not to tell them what's wrong—others are doing a fine job of that—but rather to show them *how to set things right*.

Freedom Magazine is the "how to" publication of those who love liberty. Each issue presents tools and ideas that will help you in your work as a "salesman of liberty."

The last issue, for example, included articles showing how to create a publicity program in your area, how to stage a public meeting, and how to write effective letters to editors.

Other recent articles — such as *Federal Budgets Under The Liberty Amendment* — have provided potent sales ammunition to help you recruit state legislators to the Amendment. This issue presents, for the first time, the new 16-page booklet, *Your Introduction To The Liberty Amendment* —the ideal tool with which to persuade interested prospects.

Freedom Magazine will continue to expand upon the positive "how to" policy long identified with this publication. It needs your help, however, to become more effective. Here are three ways in which you can expand its value:

1. Subscribe for yourself and others whom you feel need this positive information (see the order blank on page 27).

2. Support our advertisers — an important job!

3. If you're a businessman, write for advertising rates and information. *Freedom Magazine* advertising has a solid commercial value — as well as being a prime factor in the cause of liberty. Its growth in size and frequency will depend upon new advertising.

Help *Freedom Magazine* to grow—so that it can more effectively help *you* promote your economic freedom with the Liberty Amendment.



February 25, 1963

50th anniversary

of the

16th amendment

(income tax)

50 YEARS

IS ENOUGH!

1963—YEAR of OPPORTUNITY

★ 6 States Have Approved Amendment
★ 36 States Considering It This Year
★ New Book
★ New Film-Strip
★ New Introductory Booklet
★ Many Other New Tools

NOT IN THE PAST FIFTY YEARS have the forces for freedom had the opportunity that exists in 1963.

That is the consensus of opinion of all who have closely followed the progress of the Liberty Amendment. The painstaking efforts of 18 years are rapidly moving to a climax.

State organizations for the Liberty Amendment now exist in 47 states—with Maine, New Mexico, and Rhode Island expected to follow shortly.

At least 36 states will seriously consider the Amendment in 1963 legislative sessions. Although results are totally unpredictable, it is not inconceivable that enough states could approve the Amendment to cause Congress to act this year.

Wyoming, Texas, Nevada, Louisiana, Georgia and South Carolina have already approved the Amendment.

NEW TOOLS

Supporters have been strengthened by the introduction of several new and effective tools. This issue includes a sample copy of the new booklet, *Your Introduction To The Liberty Amendment*. This 16-page selling tool has already received a very favorable reception in advance circulation.

In addition, it presents (on pages 10 and 11) the many tools already in existence and several new ones.

The booklet also includes (on the inside back cover) an announcement of the new "tool kits" — three packages containing many effective Liberty Amendment tools.

And coming up: On April 1, the new film-strip will be released. Entitled *In The Cause Of Freedom*, it will be the first film-strip covering the Amendment. Priced at only $25, it should receive wide distribution.

And then on May 1, the new book *Action For Americans* will be out. Covering the Amendment in detail, it will fill a long-recognized need.

With strong state committees developed, 18 years of research to back us up, persuasive selling tools, and receptive legislatures, Liberty Amendment supporters are in a position to press forward rapidly. The opportunity is there—if we will but take advantage of it.

We have complained for so long of the inroads government has made into our freedoms. We have reacted defensively to every new proposal to restrict liberty further. Now the opportunity is ours—to correct the injustices about which we have complained, to take the offensive, to *improve* the status quo instead of fighting to retain it.

NOW IS THE TIME

We should allow nothing to divert us from this opportunity. There is only one job now—and that is to *obtain the approval of as many state legislatures as possible during the first six months of 1963.*

All complaints of existing evils, all "brush-fire" battles, all internal dissensions should be set aside while attention is focused—in a *positive* manner—on the state legislature.

In the following report, we present the first few details that were available at press time with regard to each state. Check the status in *your* state. If you're not already in touch with your state committee, make contact right away—so that they can keep you up-to-date on developments.

Aim your fire at the state legislature—that's where the decision will be made. If the Amendment has been assigned to a committee and hearings have not yet been held, generate as much mail as possible to that committee. If you have the names of the committee members, write to all of them. If you have no names, you can accomplish a great deal by writing to CHAIRMAN, (name of committee), STATE CAPITOL, (name of capitol city and state).

Write also to your own representative in the legislature—especially after the committee has reported the bill to the floor. If possible, send copies of all of your letters to the sponsor of the resolution. He can use those copies as ammunition.

Keep your letters short, courteous and factual. Make no statement that isn't either accepted knowledge or supported by evidence within your letter. Mention both the Liberty Amendment and the resolution number in your state.

Samples of letters are shown on page 9 of the booklet, *Your Introduction To The Liberty Amendment*. But be sure your letter is both original and a true expression of your own feelings.

Be sure you have your resolution number and names straight — then write your letters and get as many others as possible to do the same.

Telephone everyone you know who is sympathetic to our cause. Point out to them that we now have the opportunity to solve all of the problems that have bothered us.

Ask them to write the people mentioned above.

Give them all pertinent information —resolution number, etc., and make sure all names are correctly spelled.

Write letters to editors, including all the information necessary to help your readers join in the letter-writing project. Get out to meetings of patriotic organizations and give these facts to the members.

If convenient, attend the hearings at the State Capitol. Your state committee can give you any pertinent information. If you attend, remember that we are not there to protest or oppose anything — we are *for* the Liberty Amendment. Be courteous, respectful and humble. Give audible support for the speakers who testify on behalf of the Amendment.

If possible, call upon your own representatives in person—in small groups of two to four. Be courteous, patient, and willing to help them.

Above all, remember that the current playing field is the state legislature.

Right now is the time for action. Another opportunity like this will not come again until 1965—at least on the State level.

Do everything you can to create a tidal wave of tangible evidence of support for the Liberty Amendment at the legislature.

EARLY REPORTS FROM STATES VERY ENCOURAGING

EARLY SCATTERED REPORTS from the 36 states considering the Amendment are confirming the pre-year optimism.

Of the early accounts, Arkansas, Indiana, New Hampshire, Vermont, and Washington show unusual strength.

Many of the remaining states have either not introduced the resolution yet, or have not yet reported on progress.

Here is a state-by-state summary as of February 25, 1963:

ALABAMA

The Legislature opens in May with very good prospects. Plenty of high-level support is indicated.

ALASKA

The Amendment is due to be introduced in the legislative session now underway. No news yet from the State Committee.

ARIZONA

House Joint Memorial 2 (HJM 2) was approved on February 18 by the House Ways & Means Committee. House Judiciary Committee approval is expected to follow. The Amendment has very likely reached the floor of the House by this time—with prospects good. The Senate may be tougher. Rep. Brewer is the House sponsor.

ARKANSAS

House Concurrent Resolution 20 was heard before committee on February 25 with excellent results. The entire state picture is very encouraging. Fast action is anticipated in both houses, perhaps completed by this time. House sponsor is Rep. Roy H. Galycan. The high-level support is illustrated by the Governor's recent presentation of an "Arkansas Traveler" award to Willis Stone.

CALIFORNIA

A tough pull is ahead for Assembly Joint Resolution 16 — but the strong conservative forces in the state are beginning to get active. Committee hearings are scheduled for April 8—but no committee has been assigned at this time. Sponsor is Assemblyman Robert Badham.

COLORADO

Hearings and action on Senate Joint Memorial 4 have been delayed for strategic reasons. Colorado has come close to approving the Amendment previously—and strong support is gathering once again.

CONNECTICUT

House Joint Resolution 15 is sponsored by Rep. Robert S. Orcutt. No word yet on committee assignment or hearings. Meanwhile, write your representative and senator, and keep in touch with the State Committee for further details.

DELAWARE

It is our understanding that the resolution has already been introduced, but no data has been received from the State Committee.

FLORIDA

The Amendment will be introduced when the Legislature opens in April.

GEORGIA

Approved the Liberty Amendment on February 16, 1962.

HAWAII

Same as Delaware.

IDAHO

With little build-up, the State Committee did an excellent job. The resolution made it through the Senate Judiciary Committee, only to lose on the Senate floor by 20-24. It now appears that it will be reintroduced in the House during this session. A fine job by the State Committee—and not licked yet!

ILLINOIS

The Amendment is scheduled for introduction in this session. No notice of the introduction has been received at this writing, however.

INDIANA

A final decision may have been made by now. The Amendment was introduced in both houses—as House Joint Resolution 5 and SJR 5. It cleared both committees successfully and prospects are good in both houses.

IOWA

We understand that the resolution has been introduced, but we have no details. Willis Stone has already met with leaders of both houses this year, and prospects are encouraging.

KANSAS

Same as Illinois.

KENTUCKY

No legislative session this year.

LOUISIANA

Approved the Liberty Amendment on June 20, 1960.

MAINE

The Amendment is not expected to be considered this year.

MARYLAND

Same as Illinois.

MASSACHUSETTS

House and Senate Judiciary Committees held joint hearings on House Bill 889 on February 13. Results unknown. Despite favorable public sentiment, politics have intervened and hope is slight. Sponsor is Rep. George Smith.

MICHIGAN

Same as Delaware. Powerful support has been reported.

(Continued on page 23)

OUR APOLOGIES . . .

. . . for the delay in publication of this issue.

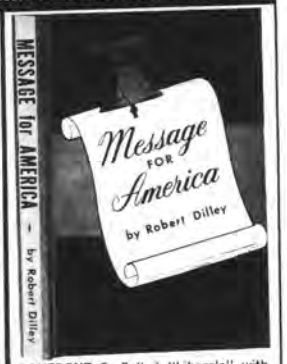
The fast-breaking developments in the State Legislatures and the preparation of the *Your Introduction* booklet have made it extremely difficult for us to stay on schedule.

We hope, therefore, that you'll pardon this delay — and we hope you'll feel that the new booklet makes the delay worthwhile.

We expect to have the March-April issue to you by the first of April. The May-June issue should follow early in May. Each issue will be filled with late news on the progress of the Amendment in the 36 States considering it this year.

If you're not now a subscriber, you'll miss that late news—as well as the many "how to do it" articles in each issue. Why not fill out the handy order form on page 27 right now?

Having Difficulty Defending
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CONFRONT So-Called "Liberals" with facts—Watch Them groan in agony—then fade away.

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- How the American System works
- How Christian Principles apply to Liberty
- How to REPEAL the personal Income Tax
- How inflation steals savings and pensions
- How to solve the farm problem
- How Foreign Aid money is wasted
- How U. S. Dollars make Socialism and Communism appear to work
- How the UNITED NATIONS prevents the U.S. from being the world leader
- How News is slanted instead of reported
- The threats from the Communist Conspiracy

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"'Message for America' provides valuable insight into the American System, a realistic appraisal of our present state, and a practical program for repairing our mistakes. **IT DESERVES TO BE RANKED AMONG THE TOP BOOKS FOR 1963."**

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NEW BOOKLET PROVIDES FULL INTRODUCTION TO AMENDMENT

AMENDMENT SUPPORTERS now have the ideal tool with which to provide a brief — but thorough — introduction to the Liberty Amendment.

Beginning on the facing page, inserted herewith is the new booklet, *Your Introduction To The Liberty Amendment.* In only 16 easily-read pages, it presents a full summary of the Amendment, what it will accomplish, and how we can bring it about.

Included are such points as: the purpose of the Amendment; how to amend the Constitution; a statistical summary; answers to frequently-asked questions; what you can do to help; sample letters to legislators; what organizations can do; tools and "tool kits"; and the progress to date.

As you will note, this new booklet has been tastefully designed, using easy-to-read type and an inviting format. The finest salesmanship has been built into it to make it an effective selling tool for you.

LOW COST

Despite its high quality, an initial press run of 50,000 copies has reduced unit costs so that the booklet is available for only 25¢ per copy—with lower prices in quantity.

At this inexpensive price, it will be possible to put literally hundreds of thousands of these in circulation during the next year. Use it in every possible way; send copies to people that you know are concerned about the state of our nation today, to newspaper editors, columnists, commentators, civic leaders, and other influential opinion-molders.

Arrange for copies to be on hand in waiting rooms—in medical and dental offices, at beauty parlors and barber shops.

Here is a tool that can get our story into the hands of thousands—in a thorough, yet inexpensive way.

The American people are well aware that there is something wrong today. They are avidly seeking the solution to the many problems we face—big



government, stifled individual initiative, inflation, confiscatory taxes, wild spending, etc.

We have that solution in the Liberty Amendment. It is the positive, correct, American solution to our problems. This booklet will present it in easy-to-understand terms.

The new booklet presented here as an insert is complete—and is available for immediate distribution. Copies may be secured from your State Committee (shown on page 8 of the booklet), from the National Committee, or from this magazine.

Use this important new tool in every productive way you can. The convenient order form on page 27 of this issue will enable you to obtain as many copies as you need.

PLEASE NOTE CHANGE IN PAGE NUMBERS

As the next sixteen pages of this issue constitute the booklet, *Your Introduction To The Liberty Amendment*, please note that pages 7 through 22 of the magazine have been skipped. They have been replaced by the booklet's own page numbers.

After the booklet, the magazine's page numbers resume with number 23.

YOUR INTRODUCTION TO THE LIBERTY AMENDMENT

YOUR INTRODUCTION TO THE LIBERTY AMENDMENT



What you'll find in this booklet . . .

What is the Liberty Amendment? ..... Page 1
How it works ..... Page 2
Statistical documentation ..... Page 3
Process for amending the Constitution ..... Page 4
What you can do ..... Page 5
Answers to frequently-asked questions ..... Pages 6 - 7
Your State Chairman ..... Page 8
Sample letters to legislators ..... Page 9
Tools to help you sell the Amendment ..... Pages 10 - 11
Information about the Amendment in your state ..... Page 12
"Tool Kits" ..... Inside Back Cover
Progress to date ..... Back Cover

Additional copies of this booklet are available:

25¢ each	12 for $2	100 for $10
5 for $1	40 for $5	1,000 for $75

ORDER from your STATE COMMITTEE or from:

NATIONAL COMMITTEE FOR ECONOMIC FREEDOM
6413 Franklin Avenue
Los Angeles 28, California

APPRECIATION IS HEREBY EXTENDED TO THE UTAH STATE COMMITTEE, FROM WHOSE MATERIAL THIS BOOKLET WAS ADAPTED

QUESTION: What is the Liberty Amendment?

ANSWER: Here is the full text—exactly as it is pending in Congress as H. J. Res. 23, and already approved by several states:

THE LIBERTY AMENDMENT

"Sec. 1. The Government of the United States shall not engage in any business, professional, commercial, financial or industrial enterprise except as specified in the Constitution.

"Sec. 2. The constitution or laws of any State, or the laws of the United States shall not be subject to the terms of any foreign or domestic agreement which would abrogate this amendment.

"Sec. 3. The activities of the United States Government which violate the intent and purposes of this amendment shall, within a period of three years from the date of the ratification of this amendment, be liquidated and the properties and facilities affected shall be sold.

"Sec. 4. Three years after the ratification of this amendment the sixteenth article of amendments to the Constitution of the United States shall stand repealed and thereafter Congress shall not levy taxes on personal incomes, estates, and/or gifts."

QUESTION: What does this mean in plain language?

ANSWER: Briefly, it stipulates that:

1. Federal business activities that are not authorized by the Constitution shall be sold back to the public within a three-year period; and that

2. At the end of the three-year period, the federal personal income tax (the 16th amendment to the Constitution) shall be repealed. This includes estate and gift taxes which will be repealed at the same time.

QUESTION: Is the Amendment's only purpose to repeal the income tax?

ANSWER: No. It is designed to reinforce the concept of constitutional government, as created by our founding fathers. They created a *limited* government—limited to the specific powers and functions authorized in the Constitution.

By giving new force and effect to the original Constitution, those activities in which the government has overstepped its constitutional authority will be restored to private enterprise and state jurisdiction. The federal budget will thereby be reduced enough to provide for repeal of the personal income tax.

QUESTION: What activities are you referring to?

ANSWER: Over 700 federal agencies today compete with private enterprise without constitutional authority for doing so. They're involved in insurance, electric generation and transmission, railroads, warehouses, welfare programs, transportation, etc. These programs are not authorized in the Constitution. They consume enormous quantities of our tax dollars—and upset the natural factors at work in the various industries involved.

QUESTION: Aren't these programs all self-supporting?

ANSWER: No. They operate on a rent-free, interest-free, and tax-free basis (they pay no corporate taxes—local, state or federal). Yet despite all of these aristocratic budgetary advantages, these programs still *lose more money every year than is collected by the personal income tax.*

QUESTION: Can you prove that?

ANSWER: Yes. On the facing page, there are two separate tables. Each approaches the question from a different direction. Both arrive at the same conclusion.

TABLE I, on the left, utilizes the 1959 budget, showing expenses by general operational categories. TABLE II, on the right, itemizes the 1962 budget. It compares it with the 1948 budget (adjusted to 1962 dollar values). It also compares it with a "Liberty Budget"—showing what the 1962 receipts and expenditures would have been, had the Liberty Amendment been in effect.

Both tables demonstrate that the federal government can conduct all its necessary constitutional functions without resort to the personal income tax.

OPERATIONAL BREAKDOWN SUMMARY

TABLE I

(1959 Budget—all figures in millions of dollars)

RECEIPTS		
1959 Budget Receipts[1]		$68,000
Less Personal Income Tax	$(36,900)	
Less Estate & Gift Taxes	(1,393)	(38,293)
Net Receipts		$29,707
Plus increased revenue from excise & corporate taxes:		
By addition of $38 billion to nation's take-home pay	5,100	
By removing 20% of industrial capacity from tax-exempt status	3,825	8,925
Total Liberty Amendment Receipts		**$38,632**
EXPENDITURES		
1959 Expenditures[1]		$80,871
Minus Costs Saved by Amendment:		
Losses of govt. activities	$(19,000)	
Payroll for these activities	(4,300)	
Facilities to serve them	(12,900)	
Reduced interest on debt	(1,950)	
Reduced amortization on debt	(1,625)	
Foreign Aid	(5,000)	
Total Liberty Amendment Savings		(44,775)
Liberty Amendment Expenditures		**$36,096**
SUMMARIES		
1959 Budget Receipts		$68,000
1959 Expenditures		(80,871)
1959 Deficit[1]		**$(12,871)**
Liberty Amendment Receipts		$38,632
Liberty Amendment Expenditures		(36,096)
Liberty Amendment Surplus		**$ 2,536**

[1]1959 estimates shown in *The Budget of the United States Government, 1960.*

COMPARATIVE BUDGETS BY DEPARTMENTS

TABLE II

(all figures in millions of dollars)

EXPENDITURES	1948[1] BUDGET	1962 BUDGET	LIBERTY BUDGET
Agriculture	$ 655	5,401	160
Natural Resources	728	2,138	38
Commerce & Housing	1,601	3,371	769
Labor & Welfare	1,507	1,759	168
National Defense	14,420	17,392	22,921
International	5,205	2,711	186
Veterans' Benefits	7,586	5,296	1,915
General Government	1,157	2,071	1,271
Interest	5,984	8,593	6,127
Miscellaneous	(442)	(557)	(557)
Total Expenditures	**$37,704**	**80,865**	**36,598**
TAX RECEIPTS			
Personal Income	$23,937	15,300	-0-
Corporate	11,593	20,900	25,080
Excise	8,438	9,725	11,670
Employment	2,731	-0-	-0-
Estate & Gift	1,025	1,953	-0-
Customs	481	1,115	1,115
Miscellaneous	1,442	3,807	3,807
Adjustments	(5,257)	(667)	(667)
Total Receipts	**$47,295**	**82,333**	**41,005**
Total Expenditures	(37,704)	(80,865)	(36,598)
Budget Surplus	**$ 9,591**	**1,468**	**4,407**

[1]Adjusted to 1962 dollar values.

[2]Bureau of the Budget estimate as originally offered. Actual year-end result was a $6.3 billion *deficit.*

[3]1962 Budget – minus expenditures not constitutionally authorized; and minus income, estate, and gift tax receipts.

These tables, with more detailed information and explanation, appear in the book, *Action For Americans: The Liberty Amendment.* See page 11 of this booklet to obtain the book.

AMENDING THE CONSTITUTION

QUESTION: What is the procedure for amending the Constitution?

ANSWER: Article V of the Constitution provides two methods of proposing amendments:

1. If both houses of Congress approve a proposed amendment by a ⅔ vote, the amendment goes directly to the states for ratification.

2. If ⅔ of the states (34) apply to Congress for a Constitutional Convention, for the purpose of proposing amendments, Congress must call the convention. The convention then sends any new amendments to the States for ratification. In either case, ¾ of the states (38) must then ratify any proposed amendments.

The Liberty Amendment is pursuing both routes. It is currently pending in Congress as H. J. Res. 23—introduced by Representative James B. Utt (California). It is also appearing before various State Legislatures. Six States approved it before 1963. When 28 more States approve it, Congress will be compelled to call a Constitutional Convention.

It is doubtful, however, that Congress will wait until forced to call a convention—which would take the question out of its hands entirely. It is generally assumed that sometime before 34 states have formally petitioned Congress through Liberty Amendment Resolutions, Congress will itself initiate the Amendment and send it to the States for ratification. They will thereby avoid calling a Constitutional Convention.

QUESTION: Does this mean that the States will decide this question?

ANSWER: Yes. In the final analysis, it is the people in the states, *through their legislatures*, that will decide this question of public policy.

QUESTION: What is the plan of action?

ANSWER: Right now people in every State that has not yet acted are urging their legislatures to pass the Liberty Amendment resolution. A simple majority of both houses is all that is required in any State.

QUESTION: Have any States approved the Amendment yet?

ANSWER: Yes. As of January 1, 1963, SIX STATES had already approved the Liberty Amendment. They are Wyoming, Texas, Nevada, Louisiana, Georgia, and South Carolina.

QUESTION: What are the prospects for more States?

ANSWER: *Excellent!* At least 34 more States are scheduled to consider the Liberty Amendment during their 1963 legislative sessions.

WHAT YOU CAN DO

QUESTION: What can I do to help?

ANSWER: Plenty! At this time, everything you do should be directed toward one goal—to obtain approval of the Liberty Amendment by your State Legislature.

QUESTION: What specifically would you suggest?

ANSWER: Here are some suggestions. Once you get started, you will undoubtedly see many opportunities to help gain the approval of your State Legislature.

ACTIVITIES

1. Write letters to members of the legislature, soliciting their support. Contact your state committee for the names of key legislators.
2. Write letters-to-the-editors, calling attention to the Amendment. If possible, be sure to call attention to the specific resolution number in your state; and encourage readers to write to their legislators.
3. Write to commentators and columnists, local and national, asking them to speak out on behalf of the Amendment.
4. Seek resolutions of support from organizations to which you belong. The National Committee will send you a sample resolution, free of charge.
5. Encourage everyone you know who is sympathetic to the purpose of the Amendment to get busy and join you in these activities.
6. If you are a capable speaker, develop a talk on the Liberty Amendment and deliver it before service, patriotic and civic clubs. Be sure always to tell your listeners how they can help get your State's approval.
7. Form a small group—two, three or four people who understand the Amendment thoroughly—to make personal calls on your state representative and state senator; to explain the Amendment in a friendly way, and answer questions about it.

FINANCIAL

1. Join the National Committee for Economic Freedom, 6413 Franklin Ave., Los Angeles 28, Calif. It is the research organization that supplies the statistical data, tools, and programming to coordinate a nation-wide movement. It is supported entirely by voluntary membership contributions.
2. Join your state committee (listed on page 8 of this booklet) and contribute to it. It coordinates all activities within your state, contacts legislators personally, and engineers state-wide programs of education and support for the Amendment.
3. Join the local committee in your area. If none exists, form one. Local committees are designed to secure the approval of one or more members of the legislature from your area. They help arrange public programs and other activities.
4. Purchase materials on the Liberty Amendment and distribute them where they'll do the most good. A variety of tools are available nationally, as shown on pages 10 and 11 of this booklet. In addition, most state committees have produced additional items. Special kits of introductory materials are shown on the inside back cover of this booklet.
5. Place advertising in your local newspapers—calling attention to the Liberty Amendment and the fact that it is before your State Legislature. Time such ads to appear when they'll do the most good—at the time the bill is before the legislature. Be sure to call for specific action in your ad. Mats are available from the National Committee.

EDUCATIONAL

1. Study the materials published by the National Committee. Learn everything you can about the Amendment, and how it works; so you can explain it to others, with confidence in your knowledge.
2. Broaden your education by reading books that deal with the economics of the free market and the philosophy of limited government. An excellent educational kit is offered on the inside back cover of this booklet.
3. Subscribe to *Freedom Magazine*, the successor to *American Progress* Magazine. It is filled with tools and ideas to help you be successful in promoting the Amendment.

FREQUENTLY-ASKED QUESTIONS about the LIBERTY AMENDMENT

Q. If the personal income tax is repealed, what will the government do for money?

A. Other federal taxes (corporate, excise, imposts, etc.) are sufficient to pay for all constitutionally-authorized functions of our federal government. The loss of personal income tax revenue will be less than the cost savings and revenue increases that will result from eliminating all economic activities not specified in the Constitution. By getting us "back to the Constitution," the Liberty Amendment provides for sufficient cuts in federal spending—unlike many tax reform plans that provide no cuts in the cost of government.

FEDERAL PROGRAMS

Q. Haven't TVA, federal housing and other programs done a great deal of good for many people?

A. Close scrutiny of any federal program usually reveals that it has done a much *less* efficient job than would have been accomplished by a private enterprise—one that is controlled by law and required to serve its customers well in order to survive.

But even if a particular federal agency had done a great deal of good, it still should *not* operate without Constitutional authority. To violate the Constitution once, *even for a good reason*, opens the door to repeated violations for *bad* reasons.

If the American people really believe that any activity must be operated by the federal government, the people can amend the Constitution, and thereby legally empower the government to undertake that activity.

Q. What will happen to our defense program?

A. It will be strengthened considerably. Industrial activities within the Defense Department, operated without constitutional authority and wasting precious defense funds, will be returned to the people. By staying within the provisions of Article 1, Section 8 of the Constitution, Congress will be able to provide more national defense for less money.

Q. Shouldn't the good parts of our foreign aid program be continued?

A. They will be—but on a voluntary basis. The current practice of giving foreign governments our tax dollars to sustain their domination over their people will be ended. The traditional American, person-to-person type of assistance will be reinstated on a voluntary, non-governmental basis. The generosity of the American people is well known, but has been diminished during recent years as government encroached upon us—attempting to decide for us in what way we can be generous.

Q. Who will buy the Post Office?

A. No one. It is a constitutionally-authorized function.

Q. What will happen to our national parks?

A. Article 1, Section 8, Paragraph 17 of the Constitution gives Congress certain specific powers relating to lands: "To exercise exclusive legislation . . . over all places purchased by the *consent of the Legislature of the state* in which same shall be, for the erection of Forts, Magazines, Arsenals, Dock-Yards, and other needful buildings . . ." (emphasis added).

This constitutional provision is very clear and specific. It applies to *all* land in *every* state. The lands not properly held—or properly acquired—by the federal government will revert to private ownership and/or State jurisdiction. The federal government will still have the authority to acquire land in accordance with the provision shown above.

Q. How could private enterprise handle a project like *Telstar?*

A. *Telstar* was developed by private enterprise—as other federal projects *should* have been. It was a speculative venture, undertaken at great cost by private citizens. In hopes of earning a profit, they provided a spectacular achievement, of real benefit to the American people. The only government involvement was the use of its launching facilities—for which the government was paid.

Most of the large government undertakings of the last thirty years could have been developed by private enterprise, without tax dollars. In many cases, private enterprise attempted to do so, but was prohibited by the establishment of a government monopoly.

POWERS

Q. Who are you to decide what is right and what is wrong for the federal government to do?

A. No individual or group is attempting to claim that wisdom. The Liberty Amendment merely re-establishes the Constitution as the standard by which to decide "what is right and what is wrong."

Q. Doesn't the Constitution have many implied powers?

A. Yes—and they are all reserved to the *States* and to the *people*. The federal government has *no* implied powers. (See the tenth amendment).

Q. Doesn't the Constitution empower the government to engage in these activities to "promote the general welfare"?

A. Article 1, Section 8 empowers Congress "to lay and collect taxes . . . to . . . provide for the common defense and general welfare of the United States." That same section goes on to list various other duties of Congress—what it may spend money for, pass laws for, etc. There is no authority shown for Congress to evaluate legislation on the basis of "general welfare." Even the taxing provision indicates that "common defense and general welfare" are the *purposes* of taxation, not the specific authority for a particular tax. This misunderstanding can usually be cleared up simply by reading the Constitution.

Since the founding fathers specifically enumerated the many powers granted to Congress, it is inconceivable that it was intended for the government to have unlimited "general welfare" powers. If such an intention existed, there would have been no need for a Constitution.

CORPORATION TAXES

Q. Are corporation taxes effected by the Liberty Amendment?

A. No. The Liberty Amendment will restore the immunity of *people* to federal taxation (Article 1, Section 9, Paragraph 4 of the Constitution), but will not change the power to tax things (Article 1, Section 8, Paragraph 1). Corporations are legally regarded as "things."

Q. Why don't you do something about corporate taxes, too?

A. That is a separate matter. Before *any* taxes can be reduced or eliminated, the Constitutional limitations upon governmental growth must be re-established. The first section of the Liberty Amendment does that—so should therefore take precedence over any other tax reform effort or plan.

Q. If the personal income tax is repealed, what's to prevent the government from raising corporation taxes?

A. The government will be constitutionally prohibited from spending money on anything but those activities specified in the Constitution. With spending cut, there would be no need for higher taxes—of any kind.

Q. If the income tax is repealed, won't many corporations convert to proprietorships or partnerships to avoid paying corporation taxes?

A. That is possible, of course. But large corporations, with hundreds or thousands of stockholders, would find it impossible to do so. The corporations that could convert would be mostly single ownerships and partnerships. Most of them should not have been corporations in the first place. They became corporations to avoid taxes under the present confiscatory income tax laws. Their corporation tax payments presently account for 10% or less of the total collected.

The slight loss of their taxes will be more than offset by adding to the tax rolls 20% of the nation's industrial capacity—that is, the presently tax-exempt federal activities that will revert back to private enterprise and begin paying taxes.

SUPPORT

Q. What organizations support the Liberty Amendment?

A. Over 6,000 organizations have passed resolutions of support. These include service clubs, patriotic organizations, political clubs, labor unions, trade associations, medical associations, and others.

Q. Which political party is promoting the Liberty Amendment?

A. Neither and both. Neither party is promoting it—but numerous members of both parties are supporting it. In Nevada, for example, the Amendment was approved in the State Senate (dominated by Republicans) 10-7; and then in the House (controlled by Democrats) by 33-14. The Liberty Amendment is non-partisan, rather than by-partisan, as its sole function is to give the Constitution new force and effect—a purpose in which all parties and all persons should participate.

Q. How can you tell how a particular federal program will be affected by the Liberty Amendment?

A. By referring to the Constitution. If a particular enterprise is authorized in the Constitution, the Liberty Amendment will not effect it. If it is not authorized, it will be transferred to the States and/or private enterprise.

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LETTERS TO LEGISLATORS

QUESTION: What kind of letter should be written to my State Legislator?

ANSWER: Here are two samples that can be used as guides. Your own letters should be original, however, and should express your own sentiments.

ITEMS UNDERSCORED ARE FOR EXAMPLE ONLY. REPLACE WITH APPROPRIATE INFORMATION FOR YOUR OWN STATE

Assemblyman John Jones
State Capitol
Sacramento, California

Dear Mr. Jones:

It is my earnest wish that you will support A.J.R. 00, the proposed Liberty Amendment to the federal Constitution. It will require the federal government to live within the Constitution, and give up the many activities it has initiated without legal approval. The savings will be enough to permit repeal of the federal personal income tax.

I'm asking you to do this because I am deeply concerned about my freedom. I want my children to have the vital advantages I had — of growing up and living in a free country under constitutional government.

I assume you are quite familiar with this important proposal, but I'm enclosing some information on it — just in case you're not. If you would like me to send you additional data, I will be happy to do so.

Sincerely yours,

Senator Thomas Smith
State Capitol
Sacramento, California

Dear Senator Smith:

I have long been concerned over the federal usurpation of activities that are legally within the province of State Legislatures. I have wished that there was some way that the states could retrieve the rights that are inherently theirs.

Such a way is now available. The proposed Liberty Amendment to the federal Constitution will force the federal government to restrict its activities to those specified in the Constitution. The amendment is now before the California Legislature in the form of a resolution, A.J.R. 00, calling upon Congress to submit it to the states for ratification.

Knowing your convictions regarding constitutional government and state sovereignty, I am sure you will want to give this important resolution every possible support. Enclosed is some literature concerning it. Please let me know if you would like me to obtain additional information for you.

Sincerely yours,

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3. 60-minute sound film of press conference in Jackson, Mississippi, featuring Willis E. Stone. Spontaneous question and answer session provides a strong case for the Amendment.
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Helps inspire public meetings, provides drive and enthusiasm. Available in sheet music—and on 45 rpm record, with brief introduction to the Amendment on reverse side.

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18-minute color film strip, presents the Liberty Amendment. Specify whether tape or record is desired for accompanying sound. (Many General Motors dealers have film strip projectors—and lend them out as civic enterprises). *$25 each*

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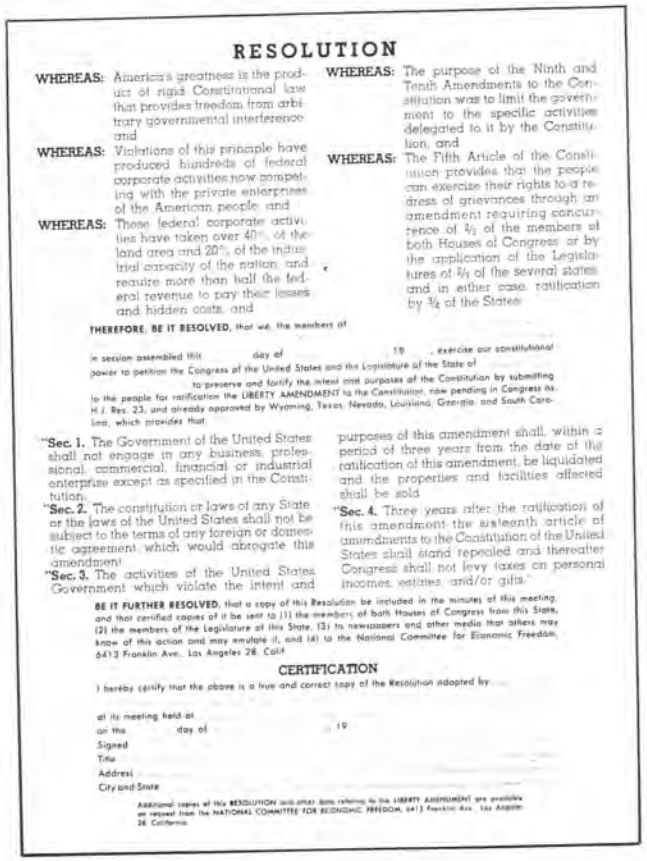
SUPPORT BY ORGANIZATIONS

QUESTION: What can organizations do to help?

ANSWER: There are several ways organizations can act. First, they can invite guest speakers to appear at meetings, to inform members about the Amendment. Secondly, they can set up a study group to educate members in depth on the principles underlying the Amendment.

State approval of the Amendment should be an organizational project. All possible individual and collective influence should be brought to bear on the State Legislature.

Write to the National Committee for free copies of the resolution form, reproduced in miniature below. Have your organization pass the resolution, and then publicize its action.



RESOLUTION

WHEREAS: America's greatness is the product of rigid Constitutional law that provides freedom from arbitrary governmental interference; and

WHEREAS: Violations of this principle have produced hundreds of federal corporate activities now competing with the private enterprises of the American people; and

WHEREAS: These federal corporate activities have taken over 40% of the land area and 20% of the industrial capacity of the nation, and require more than half the federal revenue to pay their losses and hidden costs; and

WHEREAS: The purpose of the Ninth and Tenth Amendments to the Constitution was to limit the government to the specific activities delegated to it by the Constitution; and

WHEREAS: The Fifth Article of the Constitution provides that the people can exercise their rights to redress of grievances through an amendment requiring concurrence of ⅔ of the members of both Houses of Congress or by the application of the Legislatures of ⅔ of the several states, and in either case, ratification by ¾ of the States:

THEREFORE, BE IT RESOLVED, that we, the members of _____

in session assembled this _____ day of _____ 19__, exercise our constitutional power to petition the Congress of the United States and the Legislature of the State of _____ to preserve and fortify the intent and purposes of the Constitution by submitting to the people for ratification the LIBERTY AMENDMENT to the Constitution, now pending in Congress as H.J. Res. 23, and already approved by Wyoming, Texas, Nevada, Louisiana, Georgia, and South Carolina, which provides that:

"**Sec. 1.** The Government of the United States shall not engage in any business, professional, commercial, financial or industrial enterprise except as specified in the Constitution.

"**Sec. 2.** The constitution or laws of any State or the laws of the United States shall not be subject to the terms of any foreign or domestic agreement which would abrogate this amendment.

"**Sec. 3.** The activities of the United States Government which violate the intent and purposes of this amendment shall, within a period of three years from the date of the ratification of this amendment, be liquidated and the properties and facilities affected shall be sold.

"**Sec. 4.** Three years after the ratification of this amendment the sixteenth article of amendments to the Constitution of the United States shall stand repealed and thereafter Congress shall not levy taxes on personal incomes, estates, and/or gifts."

BE IT FURTHER RESOLVED, that a copy of this Resolution be included in the minutes of this meeting, and that certified copies of it be sent to (1) the members of both Houses of Congress from this State, (2) the members of the Legislature of this State, (3) to newspapers and other media that others may know of this action and may emulate it, and (4) to the National Committee for Economic Freedom, 6413 Franklin Ave., Los Angeles 28, Calif.

CERTIFICATION

I hereby certify that the above is a true and correct copy of the Resolution adopted by _____

at its meeting held at _____

on the _____ day of _____ 19__

Signed _____

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(34 states needed to compel Constitutional Convention)

NO.	STATE	DATE	NO.	STATE	DATE	NO.	STATE	DATE
1.	Wyoming	Feb. 26, 1959	12.			24.		
2.	Texas	May 6, 1959	13.			25.		
3.	Nevada	Mar. 11, 1960	14.			26.		
4.	Louisiana	June 20, 1960	15.			27.		
5.	Georgia	Feb. 16, 1962	16.			28.		
6.	So. Carolina	Mar. 22, 1962	17.			29.		
7.			18.			30.		
8.			19.			31.		
9.			20.			32.		
10.			21.			33.		
11.			22.			34.		
			23.					

(Add additional state names as they approve the Liberty Amendment)

1963 *(Continued from page 5)*

MINNESOTA

House File 327 scheduled for March 5 hearings before the House Taxation Committee. A very productive publicity program has generated real interest.

MISSISSIPPI

No regular session this year—but a special session is anticipated. Last year, the Amendment passed the Senate 29-1, and then missed by a "hairs breadth" in the House, 62-61. Greater support is expected now if the Amendment can be introduced at the special session.

MISSOURI

Same as Delaware.

MONTANA

There will apparently be no action on the Amendment at this session.

NEBRASKA

No news as yet. A resolution will be introduced in this session.

NEVADA

Approved the Liberty Amendment on March 11, 1960.

NEW HAMPSHIRE

House Concurrent Resolution 9 will be heard by the House Judiciary Committee on March 13. Prospects are good for prompt, favorable action.

NEW JERSEY

Same as Maine.

NEW MEXICO

Same as Maine.

NEW YORK

May be the surprise of the year! The State Committee has done an extraordinary job of rallying support for the amendment. It has now been introduced in the Assembly as AR 46, and in the Senate as SR 15. No word on hearings as yet.

NORTH CAROLINA

Same as Illinois.

NORTH DAKOTA

Same as Illinois.

OHIO

The Amendment has been introduced in the Senate as SJR 3—with preliminary hearings held on February 20. No further word.

OKLAHOMA

Same as Illinois.

OREGON

Excellent hearings on House Joint Memorial 6 were held February 13. A motion to table was defeated and the Amendment was expected to go to the floor shortly thereafter. Spon-

(Continued on page 24)

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1963 *(Continued from page 23)*

sors include Representatives Elder, Ouderkirk, Mahoney, and Ireland.

PENNSYLVANIA

A strong State Committee is behind House Resolution 4 and Senate Resolution 103. Hearings are to be held by the House Rules Committee and Senate Federal Relations Committee —no dates are known by us.

RHODE ISLAND

Same as Maine.

SOUTH CAROLINA

Approved the Liberty Amendment on March 22, 1962.

SOUTH DAKOTA

Same as Illinois.

TENNESSEE

Same as Maine.

TEXAS

Approved the Liberty Amendment on May 6, 1959.

UTAH

House Committee on State, Federal & Military Affairs held a hearing on House Joint Resolution 11 on February 18. Action was expected shortly thereafter, but no word has been received as yet. Sponsor is Representative Cannon.

VERMONT

House Judiciary Committee will hold hearings on March 12. The resolution is sponsored by Rep. Roger Lea MacBride, but the number is unknown. Refer to the Liberty Amendment in letters to the legislature. Prospects look very good.

VIRGINIA

No legislative session this year.

WASHINGTON

Hearings of February 22 on House Memorial 2 produced nationwide publicity. Over 1300 people — from all parts of the state — filled the hearing room. No committee decision has been reported at this time—but strong public support gives the Amendment a good chance to be approved this year. Sponsors are Representatives Clark, Metcalf, and Lybecker.

WEST VIRGINIA

Same as Illinois.

WISCONSIN

No news as yet. A strong State Committee is expected to make a good showing.

WYOMING

First state to approve the Liberty Amendment—on February 26, 1959.

AND YOU . . .

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By Morris Banner

ACCENTUATE THE POSITIVE



IN WRITING letters to editors, we should follow the same rules that apply in all our efforts to sell the Liberty Amendment.

We should always remember that *the Liberty Amendment is the issue*, nothing else. We should never get sidetracked into quarrels over personalities. Neither should we allow the opposition to take us away from the issue, and get involved arguing about one of their proposals.

Editors often enjoy having readers go after each other's scalp. It helps to sell papers—but it surely *doesn't further* the cause of the Liberty Amendment.

So ignore any such challenge and don't argue back and forth. It is futile. Forward progress stops when you start answering someone who said unkind things about you. Remember, we're on the offensive—let's stand up and be counted *for* the Liberty Amendment and let others do the namecalling.

STAND FIRM

State your position clearly and firmly, with as many reasons as you feel are necessary. Then stand firm. Don't get involved in an emotional harangue that is likely to result—if your letter hits home, Sparks always fly when you hit a live wire. So expect them, be prepared for them, and don't try to reply, either personally or through the press, to all critical letters.

Move on to another example of government waste and sell the Liberty Amendment from a different angle. Meanwhile, take courage from the fact that nobody can undermine your *position* by attacking your *person*.

This is another way of saying, "Accentuate the positive." Take the positive approach, rather than always being an "anti." Spell out *why* you are *for* the Liberty Amendment, just as

(Continued on page 28)

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LETTERS *(Continued from page 26)*

you would if you were talking face-to-face with someone. Try always to give a bit of credit, if you mention another writer by name. This helps get your readers in a more receptive, more cooperative, frame of mind. *Then* trot out your big guns.

In short, speak up and speak out, from a constructive point of view, one that says, "Here's what we can do about it." Most people want to do the right thing. They're naturally skeptical of anything drastic, especially if they don't know how it works. It is up to us to persuade them, using letters to editors and every other means at our command, that the Liberty Amendment *is* the right way. We can seldom do it best by being negative.

Keep in mind that the purpose of your letter is to inform, rather than to antagonize. Use "fighting words" sparingly or not at all. Throw light, rather than heat, onto the subject.

At the same time, don't pull punches. Timid or subtle letters won't convince anyone. So call a spade a spade. Write what you believe—and be ready to back it up.

Avoid dealing in personalities. Never sling mud at anyone. To attack a person in print is to organize a lot of good people on his behalf, regardless of how wrong his position may be.

Zero in on his position, on the issue itself, rather than on the person espousing it. We Americans are noted for our sense of fair play and we quickly rally to the support of anyone being attacked unfairly.

In short, write to further the Liberty Amendment, not to feed your own ego or to hurt somebody's else's.

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"Sec. 1. The Government of the United States shall not engage in any business, professional, commercial, financial or industrial enterprise except as specified in the Constitution.

"Sec. 2. The constitution or laws of any State, or the laws of the United States shall not be subject to the terms of any foreign or domestic agreement which would abrogate this amendment.

"Sec. 3. The activities of the United States Government which violate the intent and purposes of this amendment shall, within a period of three years from the date of the ratification of this amendment, be liquidated and the properties and facilities affected shall be sold.

"Sec. 4. Three years after the ratification of this amendment the sixteenth article of amendments to the Constitution of the United States shall stand repealed and thereafter Congress shall not levy taxes on personal incomes, estates, and/or gifts."

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